

all over
shipwreck



EUROPE'S BUSINESS NEWSPAPER

FINANCIAL TIMES

FOREIGN AFFAIRS

Ignoring Lenin's
legacy to the Baltic

Page 19

D 8523A

FT No. 31,142
© THE FINANCIAL TIMES LIMITED 1990

Tuesday May 8 1990

World News

Shevardnadze statement is boost for German unity

The weekend statement by Soviet Foreign Minister Eduard Shevardnadze that Germany can unite before the question of confidence in the leadership of the German Democratic Republic is cleared is seen as recognition from Moscow that unity is inevitable. Page 20

Pipeline fire

A gas pipeline burst into flames north of Kurgan in western Siberia, Russia reported. The agency said there was no loss of life or danger to nearby settlements. Page 20

De Klerk mission

President F. W. de Klerk of South Africa was due to leave today on a tour of Europe where he will attempt to convince leaders of the good faith of his Government's reforms. Page 2

Avalanche victims

Rescuers recovered the bodies of four Swiss skiers who died in an avalanche in the Bernese Oberland region on Saturday. Three others are missing, presumed dead. Page 20

West Bank clashes

The Israeli army confined more than 120,000 Palestinians to their homes in the occupied Gaza Strip and West Bank and at least seven residents were wounded in clashes with soldiers. Page 20

Cuba jams radio

Cuba started 24-hour jamming in Havana of Radio Martí, the US Spanish-language station transmitted from Miami, and said it would extend the jamming to the whole island. Page 20

Two shot in Brussels

A police bullet wounded two people, one critically, during a demonstration in Brussels by workers trying to avoid the possible bankruptcy of the FRB gunpowder factory. Page 20

Irish jail protest

Nine prisoners ended a rooftop protest at Mountjoy Jail in Dublin, leaving a lone inmate to continue demonstrating over medical facilities for treatment of men with the AIDS virus. Page 20

New Afghan Premier

Afghan President Najibullah named Fazel Haq Khaliqui as the new Prime Minister of his Soviet-backed Government, Kabul Radio reported. Page 20

Australian crash

Six people died and more than 100 were injured when an inter-city commuter train and a tourist steam train collided north of Sydney on Sunday night. Photograph, Page 4

Beirut death toll

Seventeen people were killed and 81 wounded in Beirut as rival factions pummeled each other with rocket launchers and artillery. Page 20

Nationalists win

Croatian nationalists headed for a landslide win over the ruling Communist Party after the second round of the Yugoslav republic's free elections. Page 20

Charge dropped

Donald Acheson, an Irish citizen held in custody in Windhoek, Namibia, since last September in connection with the assassination of Swapo leader Anton Lubowski, was freed and the murder charge against him dropped. Page 20

Polar record

Two Norwegian skiers, Erling Kagge, 28, and Borge Ousland, 27, reached the North Pole, becoming the first men to make the icy trek without dogs, motorized vehicles or outside supplies, their Oslo base announced. Page 20

The lost weekend

Egyptian President Hosni Mubarak has ended the long weekend, ordering a six-day working week for all government employees. Page 20

Business Summary

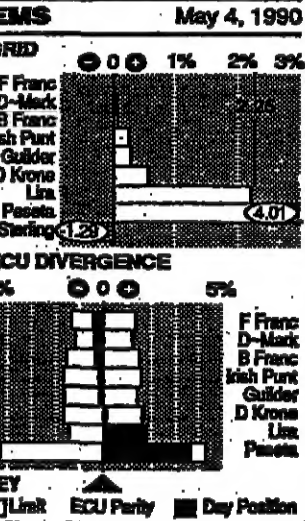
Pan Am chief says Lockerbie cost airline nearly \$250m

The Lockerbie disaster cost Pan Am nearly \$250m in losses and seriously undermined the financially troubled US airline's recovery efforts, Mr. Thomas Pleskett, Pan Am's chairman, said in an interview. He confirmed that the airline's search for a partner was continuing and that exploratory talks were under way with a European carrier. Page 20

EUROPEAN Monetary System

Sentiment surrounding the D-Mark improved on Friday, following a regional agreement involving employers and the West German engineering workers' union. However, it remained towards the bottom of the EMS on inflationary fears involving German monetary union. The Italian lira hovered around its upper limit, while the French franc hovered around its upper limit against D-Mark and European Currency Unit on Friday. Page 20

EMS



The chart shows the constraints on EMS exchange rates. The upper grid, based on the system's weakest currency, defines the cross-rates. The lower grid shows the cross-rates by more than 2% per cent. The lower chart gives currencies' divergence from the central rate against the European Currency Unit (ECU). Page 20

WEST Germany assured

its leading western trading partners that its plans for economic union with East Germany should not lead to prolonged higher interest rates or put the world's capital markets under strain. Page 2

JAPANESE institutions

indicated that they would be significantly less active than usual at a US Treasury bond auction today, and suggested that the auction could be a turning point for Japanese participation in the market. Page 3

BRASIL, the largest Third

World debtor nation, will continue a moratorium on interest payments to foreign creditors at least until debt negotiations start in the second half of the year, according to the country's Economy Minister. Page 2

UNIT of London analysts

have forecast that UK inflation is set to rise to 4% by the end of the year, and that high price increases will become built in to wage rises. Page 8

TNT, the Australian-based

multinational transport company, reported a fall of 39.6 per cent in net equity accounted profits from A\$44.5m (\$13.25m) to A\$29.3m for the nine months to end-March, largely as a result of losses caused by a national strike by Australian domestic airline pilots. Page 21

SINGAPORE Land investors

reacted coolly to the Singapore property group's plan to fight off a bid from United Industrial Corporation, a local conglomerate, involving the potential listing of an associate company and a professional revaluation of its assets. Page 23

Report claims Indian Airlines 'not ready for Airbus'

By David Housego in New Delhi

INDIAN AIRLINES failed to appreciate the scale of problems involved in bringing into service a large number of Airbus A-320 aircraft and was ill-equipped for the task, according to a confidential report commissioned for the Indian Government.

The report on the preparedness of Indian Airlines to operate the aircraft is also critical of Airbus Industrie, the European manufacturer, for "inadequacies" in the training programme provided for Indian

Airlines' pilots in Toulouse. Airbus Industrie immediately rejected the claims in the Indian report. But the report is expected to further intensify the controversy between the Indian authorities and the European aircraft consortium.

The committee which produced the report under Air Marshal S.S. Ramdas says, however, that if various deficiencies were put right immediately, flights of the Airbus A-320 could be resumed "in a phased manner."

In spite of this recommendation, Mr V.P. Singh, the Indian Prime Minister, has decided that Indian Airlines' fleet of 14 aircraft should remain grounded until the causes of the crash of an A-320 in Bangalore in February have been established.

The Ramdas committee says: "The management of Indian Airlines did not seem to have appreciated that considerable planning was required to induct such a large fleet of state-of-the-art technology aircraft in terms of training of pilots and engineers, and setting up of suitable infrastructure to support operation of the fleet."

The committee, in sharply critical remarks, says: "There was a lack of appreciation in the management cadre of Indian Airlines of the magnitude and complexity of the project. There was a lack of detailed planning for induction of the aircraft and a lack of co-ordination between departments."

"This was further compounded by the lack of continuity in the higher and middle management of Indian Airlines."

As a result, the report says, the rate of induction of the A-320 was "far more rapid than could be handled by the pilots, engineers and maintenance infrastructure of the airline."

On the training programme provided for the pilots by Aeroformation, a subsidiary of Airbus, at Toulouse, the report says that "though the extror-

ordinary capabilities of the aircraft were well emphasised during the course, the limitations of the aircraft and systems were not."

The Indian Directorate General of Civil Aviation has put most of the blame for the crash in which over 80 people were killed on pilot error.

The committee says the sim-

Continued on Page 20

Pan Am counts the balance sheet cost of the Lockerbie disaster, Page 20; Indian Airlines results, Page 23

Britain and France resolve dispute over IMF rankings

By Peter Norman, Economics Correspondent, in Washington

AN AGREEMENT making London the home of a new international bank to help eastern Europe has enabled Britain and France to resolve a long-running dispute over their rankings in the International Monetary Fund.

The outline pact also removed one of the objections to a proposed increase in the resources of the International Monetary Fund, raising hopes that this issue might be resolved at a meeting yesterday of the IMF's policy-making Interim Committee.

At a weekend meeting of ministers and central bank governors from the Group of Seven countries, Mr John Major, UK Chancellor of the Exchequer, accepted a complex formula that will give Britain and France equal fourth place in the IMF for the foreseeable future.

London will become the home of the European Bank for Reconstruction and Development, a new institution intended to help guide the new democracies of eastern Europe towards market-based economic systems.

In return, Britain and the other G7 nations agreed to back Mr Jacques Attali, economic adviser of President François Mitterrand of France, as first president of the bank.

The negotiations on the package - described by one participant as "real horse trading" - should help the IMF to secure an increase in its quotas or membership fees after around three years of discussion and negotiation.

Mr Major yesterday said the deal with France was an agreement in principle, was complex and would last for a long time and prevent the problem of rankings recurring.

He declined, however, to give details until it has been finalised.

He added: "I shall be very surprised if we haven't dotted the i's and crossed the t's by the end of the month."

The bank, which will be capitalised at Ecu100 (\$12.5bn) is expected to employ between 500 people initially, rising to 1,000 later.

The British Government regards siting the bank in London as an important prop to the City of London as a financial centre.

In a statement issued on Sunday, the G7 nations - the US, Japan, West Germany, France, Britain, Italy and Canada - supported a 50 per cent increase. If the Interim Committee approves the quota plan, the Fund's resources will rise to SDR1,950n (\$1,750n) from SDR1,300n. A settlement of the rankings problem was made possible by a novel deal

between Britain and France. Britain had been prepared to see its quota share drop to around 6 per cent from 8.5 per cent, as part of a move to lift continued on Page 20



World Bank President Barber Conable (right) greets IMF Managing Director Michel Camdessus on Sunday

China crisis fuels 'capital flight' from Hong Kong

By John Elliott in Hong Kong

A LOSS of business confidence in Hong Kong following last June's Tiananmen Square crisis in China contributed to an estimated 10-fold increase in capital outflows totalling HK\$22.34bn (\$2.86bn) during 1989, compared with HK\$2.03bn in 1988, according to the Hong Kong and Shanghai Bank's monthly economic report.

The figures are based on the indirect evidence of balance of payments and other published statistics which economists say suggest that there will be an outflow of about HK\$33bn-HK\$35bn this year.

No firm government statistics are available because no overall balance of payments figures are published.

The estimates will fuel fears of a major flight of capital from the colony as its return to Chinese sovereignty in 1997 approaches.

Government officials argued yesterday that a considerable, but misestimated, proportion of the outflow resulted from buoyant companies investing abroad, which demonstrated the underlying strength of the economy.

The bank's report does not include any forecasts for next year but it does warn that "to the extent that the outflow of capital in 1989 was the result of a loss of confidence in the future prospects of the economy, it can be expected to continue until confidence is restored."

It warned that economic growth could be held back because large trade surpluses would be needed to finance a persistently high outflow. Government figures show that economic growth dropped to around zero at the end of last year. No official figures are available for the past few months, but forecasts for growth in the current year are around 3 per cent.

The Hongkong Bank's figures are based on calculations which start with last year's visible and invisible trade surplus of HK\$36.8bn, from which it deducts HK\$10.98bn government surplus and HK\$5.46bn for increases in notes in circulation. That leaves HK\$20.36bn inflow which, the bank's economists say, must have been balanced by a corresponding net outflow elsewhere in the accounts.

Government officials acknowledged that there has been a sharp increase in borrowing in Hong Kong dollars to finance investment abroad, and that investments have also been switched overseas.

"We have no statistics to prove or disprove the report but the idea that there has been a massive outflow is not supported by the movement of the exchange rate which has been stable around the pegged rate of HK\$7.80 to the US dollar without the need for intervention by the authorities," said Mr David Neadick, Monetary Secretary.

Banking figures published a week ago showed that the ratio of Hong Kong dollar loans to deposits grew from 52 per cent in 1986 to 103 per cent in 1988 and 117 per cent last year. But Mr Tony Nicolle, Banking Commissioner, denied that there was a flight of capital.

He said there was "no shortage of Hong Kong dollars."

Lending had been in line with economic growth in money terms and a recent one percentage point rise in interest rates to 10 per cent should help to dampen loan demand.

Latvians elect nationalist as Premier

By Quentin Peel in Moscow

THE LATVIAN parliament yesterday elected an outspoken nationalist leader as Prime Minister, in the face of heavy pressure by the Soviet military and Russian-speaking workforce to reconsider its decision to secede from the Soviet Union.

The election of the Premier underlines a growing confrontation between the Soviet authorities and the nationalist movements in the three Soviet Baltic republics, rather than any attempts at reconciliation.

It comes as Mr Mikhail Gorbachev, the Soviet President, is facing simultaneous nationalist demonstrations not only in the Baltic republics, but also in Ukraine, Moldavia,

Georgia, Armenia and Azerbaijan, compounding his fragile political position.

Mr Ivans Godmanis, a deputy chairman of the Latvian Popular Front, was the sole candidate for Latvian premier. He is regarded as the strongest political leader in the movement, is not a member of the Communist Party, and is a

dedicated supporter of independence.

His election came only hours after the Red Army paraded tanks and armoured vehicles through the streets of Riga, the Latvian capital, in an obvious show of strength intended to warn the parliament of the consequences of its decisions. Continued on Page 20

Indevo plans merger with Bain of US to compete worldwide

By Robert Taylor in Stockholm

INDEVO, Sweden's leading management consultancy, plans to merge with Bain & Co, the major US consultants, to form what is claimed will be one of the world's largest management consultancy companies.

The proposed deal, announced yesterday, reflects the growing trend to a greater concentration of ownership in management consultancy in western Europe.

A further aim is to compete globally against McKinsey, one of the best-known names in world consultancy.

Indevo has been involved in many of the large industrial restructuring projects in Sweden over the past 10 years, including those at Saab-Scania and Asea Brown-Boveri as well as Scandinavian Airlines System, the Swedish postal services and the country's state-owned railways.

"We have strived to internationalise our business for quite some time," said Mr Ulf Enderdick, Indevo's president.

"Now we can achieve this goal."

The two companies believe their corporate cultures are similar and they have "special competences that complement each other in a number of fields."

Bain, which is privately owned, is best known in the UK for its role in the Guinness affair.

The secretive US consultancy lent Guinness the services of Mr Olivier Roux as finance director during the 1986 takeover battle for Distillers.

Indevo said a number of its top executives in co-operation with Bain will form a consortium called Indevo Holding.

The new company will offer all existing Indevo shareholders SEK125 (\$20) a share, while those with convertible debentures will be offered SEK250 per convertible.

Bain and Co has an option to acquire all the shares in Indevo Holding at equivalent terms to those now being offered to the owners of Indevo.

The Indevo board is unanimously recommending the offer to share and debenture holders.

The offer is open to the end of June and a prospectus will be published in about three weeks.

It is already clear that the deal will go through, as the group of Indevo senior managers and other shareholders already control around 87 per cent of the capital and 84 per cent of the voting rights.

Bain said in Stockholm yesterday that it would look at the prospects for the remainder of Indevo's activities which will be outside the new consortium over the next six months. These include executive recruitment, market communications and the provision of financial services.

Indevo last year had assets totalling SEK611m, operating revenue of SEK417m and profits after financial items of SEK25.6m.

It claims to have about 20 per cent of the market share for consulting in Sweden.

Indevo said the merger is subject to approval by US and Swedish authorities.

FIDELITY INTERNATIONAL

GLOBAL INVESTMENT MANAGEMENT AT ITS BEST.

Fidelity is one of the world's leading investment management organisations with a network of strategically placed fund management operations covering the globe.

Single-minded dedication to providing superior investment performance is the foundation of our business. With one of the largest buy-side research teams in the world, the resources we commit to generating sound, original investment ideas are probably unsurpassed in the fund management business.

And, because Fidelity is a privately-owned company, we're better able to invest in the people and systems to excel in the future - a paramount consideration when choosing an investment manager.

It's no wonder companies within the Fidelity Organisation together manage over \$115 billion.

For further information, please contact Hilary Smith, Director, on 44 1 283 9911.

THE VISION TO SEE FURTHER. THE RESOURCES TO LOOK CLOSER.

Fidelity INTERNATIONAL

LONDON BOSTON BERMUDA TOKYO SYDNEY HONG KONG TAIPEI JERSEY LUXEMBOURG

CONTENTS

Argentina: A Peronist assault on civil rights ..2	
EC policy: The prospect of an end to duty-free sales alarms passengers and airports ..4	
Striking hours: The effect of shorter working weeks in Britain and West Germany ..18	
Editorial Comments: The quest for security: A blind spot on gas imports ..18	
A financial rescue: The escalating cost of the US's thrifless thrills ..19	
Nato: Bush tackles Europe's minefield ..20	
Surveys: Flanders ..27-30	
Europe ..4	
Companies ..23	
America ..23	
Companies ..23	
Overseas ..23	
Companies ..23	
Britain ..7-10	
Currencies & money ..27	
Companies ..23	
Reviews ..17	
Building Contracts ..17	
Gold ..21	
Commodities ..21	
Crossword ..27	
Editorial Comment ..18	
Financial Futures ..27	
Gold ..21	
Ind. Capital Markets ..23-24	
Letters ..19	
Law ..28	
Management ..23	
Observer ..18	
Stock Markets ..23-24	
UK Trains ..23-24	
World Index ..22	
World Value of \$, £ ..21	

Lockerbie disaster costs Pan Am nearly \$250m in losses

Thomas Pleskett (left), chairman of Pan Am, concedes that the Lockerbie bombing had a "devastating effect" on the airline, which is now looking for a partner to maximise the value of the name Pan Am. Page 20

Continued on Page 20

MARKETS

US Invoicetime rates	STERLING	GOLD
Fed Funds 8.5%	New York lunchtime:	New York: Comex Jun
3-mo Treasury Bids:	\$1.6690	\$374.0
yield: 8.04%		
Long Bond:	DOLLAR	STOCK INDICES
90.5	New York lunchtime:	New York lunchtime:
yield: 8.85%	DM1.8555	DJ Ind. Av.
	FF15.5880	2,728.85 (+13.29)
	SF11.4315	Tokyo: Nikkei
	Y158.03	30,868.27 (+782.63)
	Tokyo close: Y157.80	
London markets were closed for the May Bank Holiday		

LONDON MARKETS WERE CLOSED FOR THE SPRING BANK HOLIDAY ON MONDAY

OVERSEAS NEWS

FT writers in Washington report on the outcome of meetings between finance ministers and central bank chiefs on world economic issues

W Germany reassures partners over interest rates

By Peter Norman

WEST GERMANY has assured its leading western trading partners that its plans for economic union with East Germany should not lead to prolonged higher interest rates or put the world's capital markets under strain.

Mr Theo Waigel, the West German Finance Minister, told fellow finance ministers and central bank governors from the Group of Seven countries that such worries were unfounded. Earlier on Sunday, Mr Karl Otto Pöhl, president of the West German Bundesbank, said the fears of higher interest rates following German union were exaggerated.

In his speech to Sunday's G7 meeting, Mr Waigel also assured the Soviet Union and east European countries that East Germany would stand by its trading obligations with the Comecon countries after the conversion of its currency to the D-Mark on July 2.

Mr Waigel underlined that the extra demands on the West German budget from German economic union would be temporary and start to decline from 1992.

He said that Bonn would ensure that borrowing by the West German Government and by East Germany after adopting the D-Mark as its currency

would not present an excessive burden for the German capital market.

Germany could tolerate a temporary increase in net borrowing because of its favourable economic position. It had no plans to abandon its counter-inflationary budget policy, he said. Mr Waigel repeated his earlier pledge that Germany would not raise taxes to finance the costs of union.

At a meeting with the press, Mr Pöhl said that the recent rise in interest rates meant that the market already discounted union to some extent. He said that the general rise

in interest rates this year also reflected other factors, notably fears of rising inflation in the US, Britain and Italy.

Mr Pöhl said that high real interest rates in West Germany were appropriate in current circumstances. West Germany experienced very strong growth last year and high real rates held out the hope that it would keep inflation under control.

In the 1970s, countries which allowed negative real interest rates had suffered double digit inflation, he added. West Germany's economic union with East Germany has been

strengthened by an apparent change in attitudes in the East German Government.

Mr Horst Köhler, a state secretary in the West German Finance Ministry and one of the handful of officials negotiating the treaty on economic, monetary and social union between the two Germanys, told the press that East Germany had withdrawn several of its original demands.

He said that East Germany now was prepared to privatise state property to reduce the East German budget deficits after the planned currency conversion. East Germany has estimated

its budget deficits at between DM20bn (27.7bn) and DM30bn in the second half of this year and between DM40bn and DM60bn next year.

Mr Waigel said that the Bonn Government regarded the maintenance of East Germany's traditional trade links with other east European countries as important for the maintenance of good political and commercial relations with those countries.

"That is especially the case with the Soviet Union and we must ensure that the USSR suffers no disadvantages from the economic and monetary union," Mr Waigel said.

Brasília to continue moratorium on interest payments

By Stephen Fidler, Euromarkets Correspondent

BRAZIL, the largest Third World debtor nation, will continue a moratorium on interest payments to foreign creditors at least until debt negotiations start in the second half of the year according to the country's economy minister.

The country suspended payments to bank creditors last September and now owes commercial banks \$5.5bn (£3.3bn) in interest arrears. It has since started to make payments to government creditors.

In an interview, Mr Zelia Cardoso de Mello said Brazil intended to start negotiations with the International Monetary Fund once the Government had completed a review of its budget, which should be by the end of May.

Agreement with the IMF on an economic programme she expected to take a month or so. After this, Brazil would start negotiations with the Paris Club of government creditors and the banks. "Until then, we are not going to modify our position on payments," she said.

She said Brazil would not make a payment in an effort to prevent US bank regulators meeting in mid-June - from forcing American banks to set aside reserves on their Brazilian exposure. The effort of the two-month-old administration of President Fernando Collor de Mello would instead be concentrated on bringing down inflation.

She said it was too early to specify the type of external debt arrangement the country

needed. But the Government wanted to secure an agreement with all creditors that her country could fulfil on a permanent basis. Creditors would then be certain about the prospects for payment.

Brazil - with a total foreign debt of \$115bn - is a prime candidate to benefit from the Brady initiative. The initiative, named after the US Treasury Secretary, Mr Nicholas Brady, was launched last year and is designed to reduce the commercial bank debt burdens of developing countries.

About \$70bn of the foreign debt is owed to banks. But bankers say that the large arrears built up by Brazil will act as an obstacle to a debt agreement.

Brazilian officials have mentioned an annual debt servicing burden of about \$6bn annually as being appropriate - a 50 per cent cut or more in the scheduled interest bill. But Mr Cardoso de Mello said: "We need to know the exact number. But I'd like you not to fix the number but to fix on the area of the debt. We can fulfil an agreement we can fulfil." Too often in the past, she said, Brazil had committed itself to agreements that it could not possibly comply with over the long term.

The Government has named Mr João Baer, a career diplomat who served in London as the country's representative in the International Coffee Organisation, as its chief debt negotiator.

Iran may seek Bank loans for economic reconstruction

By Stephen Fidler

IRAN may attempt to borrow funds from the World Bank to help finance its economic recovery from its war with Iraq.

"That possibility - controversial in view of the country's difficult relations with the US, the Bank's largest shareholder - is raised by the resumption by Iran of an active role in the International Monetary Fund and World Bank."

Mr Masoud Moazami, the governor of Iran's central bank, said at the weekend that Iran had "resumed its active relation with the two institutions". This was part of "a broader policy to be more open to the international community". In an apparent reference to the possibility of borrowing from the institutions, he said that "as a member, we would

like to have access to all our rights."

He said no decision had been made to borrow and no specific projects or financial reforms had been identified which might be financed by the World Bank. But his country's economic recovery plan for the five years starting last year called for \$17bn (£10.5bn) of external financial resources in the form of foreign investment, project finance and foreign borrowings.

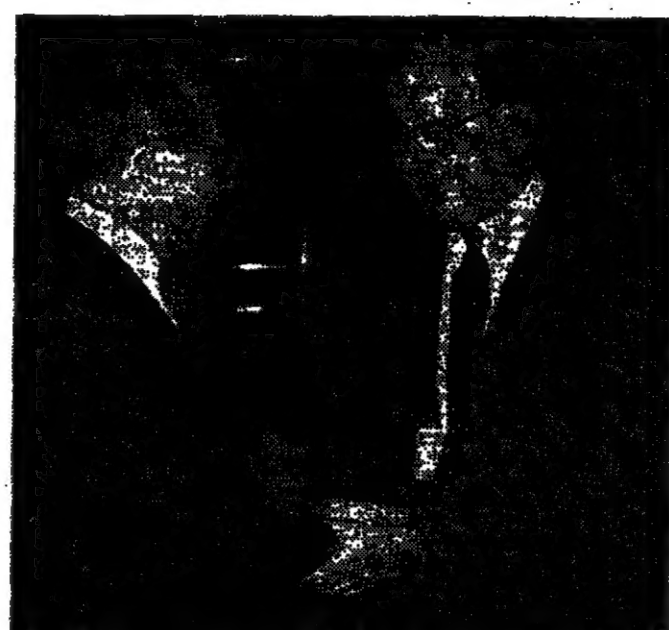
Mr Moazami was in Washington as chairman of a meeting of the Group of 24 developing countries. Asked whether he expected opposition from industrialised countries to Iranian borrowing, he said this would occur only if the organisations were political. "If they decide on the economic merits,

then we don't expect any kind of difficulty."

US opposition to Iranian borrowing could be expected to be strong, particularly while US hostages are still held by Iranian-influenced groups in Lebanon. Such opposition may take some time to erode. Vietnam is still unable to borrow from the institutions despite its economic plight because of long-standing US opposition.

Even if the political difficulties could be overcome, another more mundane problem remains. Since the start of its war with Iraq, reporting of Iranian economic statistics has been so poor that it is impossible to judge whether it meets the income qualification to borrow from the Bank.

Iran was a founder member of the IMF.



World Bank president Barber Conable, right, greets Michel Combes, managing director of the IMF, in Washington

World Bank cuts lending for reforms

By Stephen Fidler

THE WORLD BANK is planning to reduce the share of its lending devoted to encouraging economic reform.

The decision to reduce emphasis on such loans - so-called structural adjustment lending - reflects in part concern that too high a proportion of the bank's assets has been devoted to this type of lending.

It means the Bank is, to some extent, reverting to its more traditional role as a financier of projects in developing countries. The shift in emphasis follows a periodic review of the Bank's policy towards structural adjustment lending, which has been accepted by its board of governors.

It forecasts that structural adjustment lending will decline to 25 per cent of the Bank's new commitments over the years 1991 to 1993.

However, the current ceiling of 25 per cent used for 1988-90 will remain in place. Despite this ceiling, which has also been the lowest level of lending, bank officials say structural adjustment loans accounted for 30 per cent of new bank commitments last year. This would suggest a lower proportion for the current year.

The Bank first began making such loans in the late 1970s, but the pace of commitments expanded significantly in the 1980s following the onset of the debt crisis in 1982.

However, this has raised concern that too much of the Bank's resources have been devoted to the highly-indebted middle-income countries which have been the recipients for most of this lending.

Warning on diversion of resources to E Europe

By Peter Norman

ECONOMIC policy-makers have been warned that a diversion of financial resources to eastern Europe from the developing world could undermine international peace and security.

Mr Bernard Chidzero, the finance minister of Zimbabwe and chairman of the Joint World Bank-International Monetary Fund Development Committee, told a news conference in Washington that there was a danger of resources being siphoned off to eastern Europe.

That would create a "very explosive and dangerous situation" which would sour north-

south relations, he said. "A lack of growth in the south will create the conditions likely to undermine international peace and security."

Mr Chidzero urged the world's wealthy countries to make resources available for both eastern Europe and developing nations.

He added that it was important for the poor nations of the south to benefit from trade and inward investment. An important theme of the Development Committee meeting tomorrow will be how to engage the private sector more actively in promoting growth in the developing world.

Concern expressed over yen

EXCERPTS FROM the communiqué issued yesterday by the finance ministers and central bank governors of the Group of Seven.

The ministers and governors reviewed developments in their economies and in global financial markets since their meeting of April 7. They noted with satisfaction the recent stability in exchange markets and continued growth in industrial countries. However, they agreed that price pressures warrant continued vigilance.

They also noted the yen had stabilised since their meeting in Paris, but remained of the view that the present level may have undesirable consequences for the

global adjustment process. They discussed recent developments towards German economic and monetary union. They agreed that this process would contribute to improved non-inflationary global growth and to a reduction of external imbalances.

(They) expressed their continued strong support for the strengthened debt strategy, and were encouraged by the substantial progress which has been achieved, including the commercial bank accords with six heavily indebted countries. They reaffirmed their support for the by-case approach and for the guidelines governing Fund and Bank financial support for debt and debt-

service reduction. They re-emphasised the central importance of sustained economic reforms and urged a stronger emphasis in Fund and Bank programmes on measures to attract new investment and a return of flight capital as new sources of finance for debtor nations.

(They) also discussed the annual General Review of the International Monetary Fund. They agreed that a 50 per cent increase in IMF quotas would provide the Fund with the resources to fulfil its central responsibilities to the world economy. They also agreed on the need for strengthening the IMF arrears strategy as an integral part of the quota review.

Nicaraguan Contras to lay down arms

By Tim Coome in San José, Costa Rica

VOLUNTARY disarmament of the Contra rebels is due to begin in Nicaragua today after an agreement was reached at the weekend with the new government of President Violeta Barrios de Chamorro.

The 12,000-strong rebel army, created by the US in 1981, should have already begun handing over their weapons to United Nations peacekeeping troops under a pact signed last month by Contra leaders and the Government.

The rebels have grouped themselves into five designated "security zones", but have balked at handing over their weapons, insisting instead that there should be simultaneous and proportional demobilisation of the Sandinista-controlled armed forces.

Contra leaders continued to insist on this point during almost 14 hours of talks in Costa Rica at the weekend with President Chamorro.

But they finally accepted a face-saving formula which makes their demobilisation voluntary, and will allow dis-

armed rebels and their families to settle in new "development zones" and to establish a new political party. There are an estimated 50,000 dependants of the rebel troops.

When asked how many of his troops would accept the latest agreement, Commander "Franklin", the Contra chief of staff, replied: "The majority, I hope." According to UN officials, about 25 per cent of the Contra troops have not entered the "security zones" and appear to be defying the agreement.

Col Ricardo Wheelock, the head of Nicaragua's military intelligence, said "the army is ready to respond" to those groups that do not disarm by the June 10 deadline set out in the agreement.

He admitted that there has been a significant number of desertions of conscripts from Contra battalions since the Sandinistas lost the elections in February, but said: "We have a sufficient number of regular army units to deal with the Contras."

Brazil plans to scale back tariffs

By John Barham in São Paulo

BRAZIL intends gradually to reduce import tariffs, which average 40-45 per cent, to 10-20 per cent in three years.

President Fernando Collor de Mello has already lifted rigid administrative controls that virtually barred imports of goods that competed with local manufacturers.

Mr Eduardo Modiano, president of BNDES, the government development bank, explained that "those who are able to adjust, reduce costs and prices will survive. Those that are persistently inefficient will disappear," he said.

The car industry is the government's first target. Mr Collor accuses Brazil's three foreign-owned volume car manufacturers of abusing their strength to manipulate the market.

BNDES would finance a Brazilian company's stake in a joint venture with a foreign car company.

The BNDES says a new factory with capacity to produce 20,000 units a year and to be located in the underdeveloped north-east region would require investment of \$800m to \$1bn.

Imports will still be limited by Brazil's critical shortage of foreign currency. None the less the government intends to increase the country's capacity to import by halving net service payments to \$5m a year.

Murdoch gains from TV decision in US

MR Rupert Murdoch's Fox Television, which aims to become the fourth US TV network, has won an important federal government waiver of syndication rules, writes Alan Friedman in New York.

The waiver will allow Fox Television to expand its programming at 128 affiliate stations from three to five nights a week without running the risk of triggering a restriction on the sale of re-runs on the syndication market.

US budget talks to consider increase in taxes

By Peter Riddell, US Editor, in Washington

INCREASES in US taxes will be on the table for the first time during the Administration of President George Bush in talks likely to start soon between the White House and Congress on how to reduce the budget deficit.

President Bush has reached a preliminary understanding with congressional leaders on budget talks which will have everything on the table. He met Democratic and Republican leaders at the White House on Sunday evening to discuss the format for discussions.

Mr Martin Fitzwater, the White House spokesman, said yesterday there would be "no pre-conditions and anyone can bring up an issue for discussion and debate."

There will be no deadline to the talks. This could open the way for higher taxes to be considered as well as cuts in

social security and health entitlement programmes and defence.

Mr Fitzwater declined to say whether Mr Bush had changed his view on often-repeated "no new taxes" pledges.

The Administration is still likely to want to avoid higher income taxes and may prefer an increase in energy or other indirect taxes.

Mr Richard Darman, the budget director, has argued that new revenues must not hamper economic growth, which he has said means user fees rather than increases in income taxes.

Congressional leaders were yesterday consulting colleagues before giving a formal reply to Mr Bush.

However, Mr Tom Foley, the Democratic Speaker of the House, would recommend agreement to the talks.

Democratic leaders have until recently been wary of budget talks with the White House, arguing that a serious deficit reduction package cannot be discussed unless tax increases are on the table.

Even Mr Robert Michel, the Republican House Minority leader, has accepted that he did not know "how you make these figures match without doing something on revenues," though conservative Republicans will strongly oppose any general tax increase.

Pressures for wide-ranging budget talks have increased both in response to the general rise in interest rates in financial markets and as a result of new figures. This point to the need for large-scale measures if the deficit is to be reduced to the target level of \$64m in fiscal 1991 starting this October.

Slow economic growth during the winter and higher than expected interest rates mean that the deficit will have to be cut by between \$45m and \$55m to hit the target.

However, the versions proposed by the Administration, passed by the full House and suggested by the Senate Budget Committee fall short of this figure.

There are also disputes between the Administration and Congress over the scale of cuts in defence spending and in social programmes as well as over the proposed reduction in capital gains tax.

Last year a small-scale budget agreement broke apart in acrimony in the late summer and across-the-board spending cuts known as sequestration had to be imposed. A package was finally put together in late November.

From a small seed authoritarianism grows

Gary Mead examines another Peronist assault on civil rights in Argentina

Peronism has an ugly history of repressive authoritarianism, from which Argentina's international reputation and domestic stability has suffered since General Peron first wrenched power for himself in 1945.

In one small and apparently insignificant act, another Peronist leader, President Carlos Menem, has reminded all Argentines of his party's taste for conducting assaults on civil rights.

In the last week of April thousands of large blue posters plastered the crumbling walls of Buenos Aires. The posters carried the simple slogan "Loyalty to the President, not to the corrupt."

Above that, the names of four senior Peronist politicians, written thus: "Eduardo 'Guardapolvo' Bauza; 'Roberto 'Cometa' Dromi'; 'Jose 'Petroquímica' Manzano'; 'Eduardo 'Pan de Azúcar' Menem'."

Within 72 hours, three people allegedly responsible for printing and orchestrating the poster campaign were in prison, with legal restraints on their possessions equivalent to the value of \$20,000 each. Scarcely has the Buenos Aires police force and Argentine justice moved with such alacrity.

The Government is furious at the poster campaign for two reasons. The campaign reveals a strong undercurrent within Peronism itself, opposed to President Menem's top ministers and advisers. There are suggestions that those arrested for the campaign are not simply connected to that Peronist opposition, but are involved with a fluid group of trades unionists and Peronists in the court of Zulema Yoma de Menem, President Menem's wife.

She has made it very clear, by notorious public statements, that she completely disagrees with her husband's economic austerity programme, and, in passing, his choice of cabinet ministers.

The posters use the nickname device to touch on murky issues which have exploded in the face of the Government and have not received satisfactory explanations.

In the case of Mr Eduardo Bauza, Minister of Health and Social Welfare, there is still no explanation as to why his ministry sanctioned the purchase in February of 1.3m white overcoats "guardapolvos" worn by schoolchildren, at a cost of \$7m, three times the then market price.

Mr Bauza is surrounded by allegations of misuse of public funds. The most serious case



President Menem: taking unusual steps

involved his ministry's distribution in January of tens of thousands of charity coupons "bonos solidarios" to Peronist politicians, who then redistributed them: on what basis, and to whom, has never been revealed.

Mr Jose Luis Manzano, who heads the Peronist block in Congress's lower house, was last year accused of involvement in an alleged multi-million dollar fraud at the state-run petro-chemical plant at Bahía Blanca, south of Buenos Aires. President Menem responded to those allegations by announcing an investigative commission. But the com-

mission's members have yet to be named.

As for Mr Eduardo Menem, President Menem's younger brother and leader of the Senate in Congress, the case is even more potentially damaging. In March, the Uruguayan weekly magazine "Brecha" published a report alleging that Mr Eduardo Menem, his wife, and a business partner had a well-stocked joint US dollar bank account with Banco Pan de Azúcar in Uruguay.

Eduardo Menem issued an angry denial, though he took no legal action. The sticking point in this instance is a result of Argentina's international record as a flight capital kingdom of the world; an estimated \$7bn left the country in 1989 alone. While foreign bank accounts are not illegal for Argentine citizens, a person of Eduardo Menem's status would feel obliged to deny such an unattractive manoeuvre.

By taking the highly unusual step of imprisoning the printers and publishers of the posters which covered Buenos Aires, President Menem has not shown decisiveness, but only abuse of conventional legal practice. There now exists a double jeopardy, the cover-up of corruption, and a criminalisation of what is judicially only, at most, a civil

case. Prima facie, there is no libel in a nickname.

President Menem has described the case as "corrupt" who "deserve severe punishment." Mr Jose Manzano said they "do not deserve to live." Mr Eduardo Menem added to their alleged crime by accusing them of "a form of terrorism." They are unlikely to receive a fair trial in such circumstances.

The creeping authoritarianism in Argentina's latest Peronist regime has been planned by this small seed.

Guerrillas' cave cemetery found in Peruvian Andes

By Sally Bowen in Lima

PEASANT self-defence patrols have come across the remains of up to 250 bodies in a series of caves high in the Peruvian Andes. It is thought to be the first discovery of a cemetery for the Maoist Shining Path guerrillas, who have been operating in Peru for 10 years.

The find, in rugged mountains 16,000ft above sea level near Ayacucho, 200 miles south-east of Lima, was made on April 4 but army patrols reached the spot only last Friday.

There were signs of recent occupation in one of the caves, with remains of food, medicines, guns and explosives. Propaganda was discovered in another nearby cave thought to have served as a Shining Path indoctrination centre.

Many of the skulls showed evidence of short-range bullet wounds. Military authorities concluded that one of the ancient caves, which also contain some pre-Columbian skulls with the deformations characteristic of the Wari culture, was used by the guerrillas as a primitive hospital to attend to those wounded in confrontations with the armed forces.

It is thought that those hopelessly ill were killed and "buried" in the neighbouring cave.

The Shining Path guerrilla movement was launched by university professor Abimael Guzman in Ayacucho, not far from these caves, almost exactly 10 years ago.

The armed struggle has cost 17,000 Peruvian lives since its inception.

FINANCIAL TIMES
Published by the Financial Times (Europe) Ltd, 100, Broad Street, London W1P 9HT.
Telephone: 020 7556 7000; Fax: 020 7556 7001.
Subscription rates: £150 per annum (UK), £165 per annum (overseas).
Single copies: 50p (UK), 60p (overseas).
Postmaster: Please send address changes to FINANCIAL TIMES, 100 Broad Street, New York, NY 10022.
Financial Times (South America) Office: 44, D.F. Palace, Avenida de Mayo 100, Buenos Aires, Argentina. Telephone: (54) 11 44 41 41.

OVERSEAS NEWS

Japan's interest wanes in US treasury bonds

By Robert Thomson in Tokyo

JAPANESE financial institutions indicated yesterday that they will be significantly less active than usual at a US Treasury bond auction today, and suggested that the auction could be a turning point for Japanese participation in the market.

In the past, Japanese institutions have routinely taken 30 to 40 per cent of the issues at the quarterly refunding auctions, but investment managers said this week's figure will be much lower, perhaps as low as 10 per cent, because of basic changes in capital flows.

While the Japanese expectation is that the share will be closer to 20 per cent, a slump in Japanese interest is likely to influence exchange rates, and a very low turnout could again prompt reports that Japan's Finance Ministry has advised

big institutions to curtail purchases of US bonds in the interests of a stronger yen.

A foreign investment manager at one of Japan's largest life insurance companies said the reports of the Finance Ministry's overtures were "untrue", but Japanese life insurers were "not bullish" about the bonds because of the relatively low US interest rates, concerns about the US budget deficit and exchange rate volatility.

"A coupon rate of 8.5 per cent is not high enough for constructive investment by Japanese companies. Japanese participation rates must be lower this time. Another reason is that Japanese domestic demand for funds is very strong, and so we have plenty of investment opportunities here," the manager said.

Mr Kenji Ueda, chief manager of international investment at Tokio Marine & Fire Insurance, the largest non-life insurer, said his company had been active at past auctions but would not participate this time because "we don't have as much money as in the past".

"Many Japanese financial institutions have less money. Japan's current account surplus is decreasing rapidly and there is a great demand for money in Japan. Many departments at our company want money for domestic investment, though if we had the money, we would like to buy US Treasuries," Mr Ueda said.

Japan's current account surplus fell 30.8 per cent to \$3.5bn (\$32.62bn) in the fiscal year to end March, and balance of payments figures published last week for March showed that

net Japanese sales of foreign bonds were \$1.75bn after net purchases of \$3.62bn in February. Japanese institutions were apparently big sellers of US bonds in late March and early April, with life insurance companies alone reported to have sold bonds worth \$6bn. A Japanese life insurance company official said the figures were not as big as reported and the sales were generally made for "technical reasons" at the close of the fiscal year.

Ms Kuniko Usui, manager of the bond department at James Capel Pacific, said companies such as Nippon Life, the largest Japanese life insurance company, made clear that an interest rate of at least 9 per cent was needed for the US Treasury bonds to be attractive, but the rate is expected to be below that at the auction.

"The feeling from the market is basically negative. At this auction we would expect the Japanese institutions to take between 10 and 20 per cent," Ms Usui said.

"Japanese companies are now bullish about the yen, and so they are taking a foreign exchange risk with the US Treasury bonds. And Japanese benchmark bonds are trading at around 7.5 per cent, so the spread with the US bond is very narrow."

Another big life insurance company, Dai-ichi Mutual Life, has indicated that it will "take a more careful attitude than usual" at the auction, and a company official said yesterday that yen bonds had come into favour because Japanese interest rates had risen above 7 per cent.

US money, Page 24

Roh seeks to reassure South Korean public

By John Ridding in Seoul

SOUTH KOREA'S President Roh Tae Woo yesterday admitted that his Government was facing a loss of confidence in its policies but promised solutions to an array of social, economic and political difficulties by the end of the year.

"The nation is now at a crucial phase," he said in a live broadcast on national television. "We are now at a crossroads, one branch leading to progress and the other leading to chaos."

While President Roh addressed the nation, the headquarters of the ruling Democratic Liberal Party was attacked by a group of about 30 radical students. They threw firebombs and occupied an office before being arrested by riot police.

Mr Roh's speech was an attempt to ease public concern over a number of social and economic issues and to encourage moderation by labour unions during the spring wage round. It was also an attempt to bolster his Government's declining support.

Although the ruling Democratic Liberal Party, which was formed in January by the merger of the old ruling party and two of the three opposition parties, enjoys a two-thirds majority in the National Assembly, Mr Roh admitted that "some aspects of the process of integrating the parties have disappointed the public".



Roh: promised solutions

Confidence in the Government has fallen in recent months as a result of rising inflation, real estate speculation, increasing housing and rental costs, divisions within the new ruling party, and the re-emergence of industrial unrest.

Critics say the Government has shown inadequate leadership and inconsistency in its policies. Several reforms once billed as important to the process of democratisation, such as the abolition of false-name financial transactions and the implementation of a broader financial capital gains tax, have been shelved.

The stock market fell sharply after the outbreak of strikes at the nation's largest shipyard and the state-run television network last month, but has subsequently regained almost half of the 30 per cent decline suffered since its peak in April last year. Yesterday's broadcast prompted a further rally, and the index closed 9.2 points up at 781.58.

President Roh said the economy had "run into trouble" as its competitiveness had been blunted by high wage awards and industrial disruption over the past three years, but he denied that Korea was facing an economic crisis, pointing to forecast GNP growth of 7 per cent this year and a recovery in exports, which last year grew by a meagre 3 per cent.

He said: "The real problem is that a pervasive sense of anxiety is making the situation more troublesome than it actually is."

To reassure the public, he said he would now "lead the affairs of state with an extraordinary determination" and the administration would set an agenda of priority tasks to be accomplished within the year.

Moscow asks wool exporters for credit

By Kevin Brown in Sydney

THE SOVIET UNION has asked Australian, New Zealand, Argentine and Uruguayan wool producers to extend credit on wool exports, the Australian Wool Exporters Council said yesterday.

Mr Dick Newman, the council's executive director, said Australian producers had received a letter from Novosibirsk, the Soviet import agency, requesting an extension of credit on wool purchases worth \$100m (\$45.6m).

"They made some nominal payments with the request that the exporters notify the terms and conditions for the balance," he said.

Mr Newman said similar messages had been sent to the other three countries, but none had been given an explanation for the request by Novosibirsk.

"It would appear Russia has a foreign currency crisis at the moment and it looks as if everything is on hold," he said.

Mr Newman said international wool producers had agreed in Brussels last week that no new contracts would be signed with the Soviet Union

until existing debts were paid.

In New Zealand, the Wool Export Council said all exports to the Soviet Union had been frozen because of non-payment of debts of NZ\$52.6m.

Mr Michael Moss, council president, said Novosibirsk had indicated it was unable to acquire funds from the Soviet banking system.

"It does not look as though the funds are going to become available for quite some time because the temporary monetary problems of the Russian and eastern blocs are not going to be solved overnight," Mr Moss said.

The Soviet problems come at a bad time for the wool industry in Australia and New Zealand, which is suffering from over-production and a fall in demand. The Soviet Union is the largest market for New Zealand wool exports, and the second largest for Australia, after Japan.

Australian government officials said the Soviet problems appeared to be short-term and unlikely to affect other commodity exports.

Soviet loan deal signed with Kuwait

THE Soviet bank for foreign economic affairs, Vnesheconombank, said yesterday that it had signed a new medium-term loan worth \$300m, agreed with the Kuwaiti foreign trading, contracting and investment company, writes Quentin Peel in Moscow.

The seven-year loan is only the second major borrowing publicly announced by Vnesheconombank this year, following a DM\$500m (\$181.51m) bond issue in January through the Westdeutsche Landesbank.

The only indication of the terms of the latest loan was that it was agreed "on a commercial basis", suggesting that it may well reflect the deterioration in market perception of the Soviet Union as a borrower since several state enterprises started delaying loan repayments earlier this year.

The agreement was signed by Mr Abdullah al-Gabandi, chairman and managing director of the Kuwaiti finance house, and Mr Yuri Moskovsky, chairman of the board of Vnesheconombank.

It is the second major loan by Kuwait to the Soviet Union in recent years. In 1987, the Kuwaiti banks participated in a \$150m (\$91.45m) syndicated loan.

Saudi backing for talks on Soviet Jewish exodus

By Tony Walker in Cairo

SAUDI ARABIA has its weight behind the weekend efforts to convene an emergency Arab summit to discuss the issue of Soviet Jewish immigration to Israel, and a flurry of diplomatic contacts in the Arab world.

Crown Prince Abdullah visited both Damascus and Baghdad in an effort to reconcile bitter foes. Presidents Hafez Assad of Syria and Saddam Hussein of Iraq. The Saudi Prince was expected in Cairo today, hard on the heels of Mr Farouk al-Shara, the Iraqi Foreign Minister.

Syria, meanwhile, has proposed that a meeting of Arab foreign ministers be held to prepare for the summit. Mr Farouk al-Shara, Syria's Foreign Minister, said careful preparation was needed to ensure the summit's success.

Saudi Arabia's conspicuous

involvement in moves for an emergency summit is significant since the Saudis had hitherto shown little public enthusiasm for such a gathering.

Mr al-Shara has made it clear that unless the rulers of Syria and Iraq both respond to the call for a special summit, it will not persist in its efforts to bring Arab heads of state together on the immigration issue.

Mr Yasir Arafat, chairman of the Palestine Liberation Organisation, has for weeks been demanding an emergency summit to discuss a perceived threat from the exodus of Soviet Jews to Israel.

About 35,000 Soviet Jewish emigres have arrived in Israel so far this year.

Some estimates put the total number of Soviet Jews likely to settle in Israel over the next 35 years at about 1m.

S African leader aims to lessen isolation

By Philip Gawth in Johannesburg

SOUTH AFRICA'S President P.W. de Klerk is due to leave today on a tour of Europe where he will attempt to convince leaders of the good faith of his government's reforms.

The three-week tour, which takes in nine countries, is itself recognition of the reform strides taken by Mr de Klerk since coming to power last September. It follows historic talks in Cape Town last week with the African National Congress.

Not since the time of Jan Smuts, who was prime minister before the Nationalist Party took power in 1948, has a South African head of state embarked upon such a high-profile overseas trip. Mr de Klerk will meet heads of state and government in France, West Germany, Spain, Portugal, Britain, Greece, Switzerland and two other countries to be announced. He will address businessmen and bankers in most countries.

From the Government's point of view the trip will probably be considered a success if it makes the country more acceptable internationally, after years of isolation.

Mr de Klerk will probably try to avoid making the lifting of sanctions a measure of the trip's success. The ANC have, in any event, recently softened its line, with Mr Nelson Mandela, deputy president, saying after the Cape Town talks that they would not seek an intensification of sanctions.

Disinvestment, boycotts and financial sanctions have hurt the country over the past five years and Mr de Klerk will seek to raise confidence in the country's future and attract new investment.

Mr de Klerk's tour will also diminish any adverse impact of the protest resignation from the ruling National Party by his predecessor Mr P.W. Botha over the weekend.



Too bad the laws of communications aren't engraved in stone.

If they were, every time you had a communications problem, the answer would be simple.

Today, however, communications problems are compounded by ever-changing technologies. To give you the flexibility you need, one information and communications company has committed itself to providing answers that make sense for your particular needs. That company is Bell Atlantic, an experienced communications leader.

For example, when PTT Telecom of the Netherlands modernised their network, we provided a software and systems integration package that forecasted network needs and updated databases.

When the University of Rome wanted to give its

students and faculty access to their mainframe computer, they called upon Bell Atlantic's Eurotech to develop a customised network system to meet their goals.

We're Bell Atlantic, serving Europe from over 50 local offices. With Sorbus, a computer and data equipment maintenance company. Eurotech, designers and distributors of value-added data communications systems. Bell Atlantic International, software and systems integration consultants. Bell Atlantic Financial, a high-tech leasing company.

For more information contact us by telefax in France at 01-4809-9539, in Germany at 0211-5261-102, in Italy at 02-825-4368 and in the United Kingdom at 081-898 5250.

@ Bell Atlantic

WORLD ECONOMIC INDICATORS

RETAIL PRICES (1985=100)

	Apr. '89	Mar. '89	Feb. '89	Jan. '89	% change over previous year
Japan	107.9	107.1	106.7	105.0	+2.8
Belgium	110.2	109.7	108.4	108.8	+3.2
Germany	106.5	106.3	106.2	104.1	+2.3

	Mar. '89	Feb. '89	Jan. '89	Dec. '88	% change over previous year
US	118.6	118.0	118.4	118.7	+5.2
UK	128.3	127.1	128.5	128.7	+8.1
France	115.1	114.7	114.4	111.3	+3.4
Netherlands	102.7	102.3	101.9	100.5	+2.2

Source: (except US) Eurostat

OVERSEAS NEWS

Berlin mayors seek quick administrative unification

By Leslie Collett in East Berlin

MR WALTER MOMPFR, the Social Democratic (SPD) Mayor of West Berlin, and Mr Theo Schwierzeina, the SPD Mayor-elect of East Berlin, are aiming for the swift administrative unification of the two halves of Berlin following last Sunday's East German local elections.

The SPD gained 34 per cent of the vote for the East Berlin city legislature, compared to 17.7 per cent for the Christian Democrats (CDU), and said it wants to lead a coalition. But the CDU polled 34.3 per cent in local balloting throughout East Germany and confirmed its lead established last March 18 in the parliamentary elections. The Democratic Socialist Party (PDS), the successor to the ousted Communist Party, scored a strong 30 per cent in the East Berlin elections - though it is resigned to forming the opposition - while falling to 14.5 per cent country-wide.

"We want to join the two city administrations very quickly," Mr Momper announced at a news conference with Mr Schwierzeina in East Berlin's city hall. The two men said they hoped to eliminate all border and customs controls in and around Berlin even before the July 2 date for German monetary and economic union.

Both expressed their determination to see Berlin again become the capital of a unified Germany, a desire shared by their political rival, Mr Helmut Kohl, the Chancellor. "A unified Berlin has a legitimate claim to be the capital of a united Germany," Mr Schwierzeina said. Mr Momper noted that they wanted to return to Berlin's liberal tradition in the 19th century and the 1920s. The Nazis never gained a majority in Berlin, he said, countering arguments that the city's role during the Nazi occupation of Europe disqualified it as a future capital of Germany.

The US, Britain and France should have a troop presence in West Berlin - albeit a reduced one - after unification as long as Soviet forces were stationed in East Germany, Mr Momper said. A senior western official in West Berlin noted recently that if allied troops remained in West Berlin, the Bonn Government, which currently pays all the costs of the allies in Berlin, would be expected to pick up half the future costs under a troop stationing agreement with a united Germany. The West Berlin mayor said

he was encouraged by the remarks last week of Mr Eduard Shevardnadze, the Soviet Foreign Minister, who indicated that internal unification of Germany could proceed more quickly than its final approval by the four Second World War allies. But Mr Momper said the political unification of Berlin could not run ahead of German unity. Mr Schwierzeina, clad in a drab windcheater next to the elegantly attired Mr Momper, said East Berlin would adopt a new constitution modelled on that of West Berlin. He demanded that the outgoing Communist-dominated city government immediately suspend the granting of rights to Western companies, especially a gambling concern, to use East Berlin real estate.

The local elections underscored the sharp north-south divide in Germany. A strong position in the local governments of the future southern Länder of Saxony (40.7 per cent) and Thuringia (37.6 per cent) where the SPD scored 12 per cent respectively, 18.1 per cent respectively. In addition to traditionally socialist Berlin, the SPD did best in surrounding Potsdam District with 33 per cent of the vote.

Italian Communists hit in local elections

By John Wyles in Rome

ITALY'S Communist Party (PCI) was last night facing the heaviest loss of support in its history in nationwide local elections.

The polls were also marked by a clamorous success for the regional party in Lombardy and a continuation of the Socialist Party's steady advance.

According to early evening computer projections with around 8 per cent of the vote counted, Christian Democracy (DC) was holding its leading position with a projected 32.8 per cent of the vote, 12 points down on the same regional elections five years ago, and marginally lower than in the 1987 general election. This, together with the PCI's advance to 15.5 per cent - the party's best result since 1946 -

should assure the national five-party coalition led by Mr Giulio Andreotti of tenure beyond the end of the year.

But the main talking points among political leaders last night were the collapse in the PCI's vote to 23.3 per cent, its lowest level since 1946, and the huge victory of the Lega Lombarda, a relatively new local party in Lombardy which took nearly 30 per cent of votes in the region.

The projected Communist vote is even worse than the minimum judged acceptable in the last few days by the party's leader, Mr Achille Occhetto, and will be seen as a negative first verdict on his move to change the party's name and political programme in the direction of

mainstream European socialism.

On last night's trend, the PCI will poll nearly 8 points less than in the regional elections five years ago, and 5.5 and 6.3 points below previous national and European elections.

All of the main parties lost heavily in Lombardy, where the Lega will be the second largest grouping at a regional level. Its formula of greater local autonomy, allied to quasi-racist attacks on southern politicians and their practices, appears to have appealed to many more voters than expected in this wealthy region.

The DC does not appear to have gained at all from the Communist decline, and the PSI only marginally.

Poles queue for shares

SEVERAL hundred people queued in Warsaw yesterday to subscribe for shares in Universal, a Polish foreign trade company on the first day of the country's most ambitious privatisation to date, Christopher Robinson writes.

Universal, which will be turned into a joint stock company, trades mainly in consumer durable goods and sports items. Since 1983, it has been a limited liability company owned by the Treasury and state sector enterprises.

Up to 9.2m shares or 65.66 per cent of the Universal issue are to be made available at a price of Zl 30,000 (£1.50) each,

while it is intended that up to 4.5m of Universal's shares would be earmarked for foreign investors.

If successful the venture should see the original state sector owners, including the Treasury, left with 34.4 per cent of the capital.

The results of the issue, under which the company shares to raise Zl 195m, will provide the first concrete indication of whether Poles, or indeed foreign investors, are willing to buy shares as the Government prepares to embark on the sale of several industrial enterprises by the end of the year.

Belgian 'supergun' probe

BELGIUM'S public prosecutor is launching an official investigation into links between FRB, the country's second largest armaments group, and the "road supergun" affair, Tim Dickson writes from Brussels.

The weekend development was overshadowed by FRB's separate financial problems and the death of a young woman during a demonstration by members of its 1,500-strong workforce.

Reports suggest that a policeman panicked and opened fire as a lorry tried to force its way through the

crowd, injuring another bystander.

Efforts were continuing last night to try to stave off bankruptcy at FRB, which has been the subject of an acrimonious dispute over profit forecasts between Astra Holdings of the UK, which bought the Belgian company last September, and its former owner Société Générale de Belgique.

Mr Villy Claes, the Belgian Economics Minister, told representatives of the workforce yesterday that he would do his best to encourage SGB and FRB's main banker, Générale de Banque, to come up with a rescue plan by Thursday.



Six people died and more than 100 were injured in this collision between an inter-city commuter train (left) and a tourist steam train north of Sydney on Sunday night.

Threatened Soviet oil strike averted

THE BIGGEST industrial challenge to President Mikhail Gorbachev since last summer's coal strike has been averted, at least temporarily, John Parker writes from Moscow.

Oil workers in Tyumen, the region that accounts for 60 per cent of Soviet oil output, have agreed to lift their threatened strike and set up a commission to negotiate with the Government on their demands.

At an acrimonious three-day conference between Tyumen

workers and the Oil and Gas Ministry, the oil workers complained that nothing had come of government proposals to restrict the oil industry.

Up to 700,000 oil workers had threatened to strike at the end of March, demanding an increase in supplies of consumer goods and industrial equipment to the area. At the conference, they complained that only 60-70 per cent of necessary equipment was arriving, partly because of continuing

unrest in Azerbaijan, the centre of the Soviet oil-supply industry.

They also demanded an increase in the bonus payments made to workers in the oil fields and a cut in the price of construction equipment to pre-1986 levels.

A recent report in Pravda said that tens of thousands of workers in Tyumen have been laid off on sabbatical and other temporary accommodation.

Russian Social Democrats set up shop

THE BIGGEST STEP yet taken towards the creation of a serious social democratic opposition to the ruling Soviet Communist Party was taken at the weekend with the establishment of the Social Democratic Party of Russia, John Parker writes.

The founding congress, held in Moscow, was attended by 209 delegates from social democratic organisations across the country. But it still appears to have failed to unite all the pos-

sible strands in the movement. The new party had hoped to unite the widespread but ill-organised social democratic party of the opposition to President Mikhail Gorbachev.

Its ambitions, however, were marred by a wrangle at its founding conference between social democrats from Leningrad and from Moscow over the powers of the central organisation. A group of Leningrad members walked out of the conference saying the

party was too centralised. The party will be led by Mr Alexander Obolensky, who ran against Mr Gorbachev for the presidency in March 1989, before the recent extension of presidential power.

But it failed to attract two more senior politicians who had hoped would join, Mr Yuri Afanasyev and Mr Nikolai Trakht. Next Friday, they are expected to announce a new party of their own, called the People's Party.

Brussels plan for shareholders' rights

By Tim Dickson in Brussels

FAR-REACHING plans to limit "poison pill" takeover defences and assert the rights of individual shareholders will be endorsed by the European Commission in Brussels tomorrow.

The initiative - spearheaded by EC Internal Market Commissioner Mr Martin Bangemann and supported by the UK - is designed to facilitate cross-border bids and so help European companies achieve the size and strength to compete successfully with their American and Japanese rivals.

Mr Bangemann's blueprint does not suggest a separate new directive as such, rather a series of amendments to existing and draft EC legislation. There are essentially three prongs to his proposed attack.

● The draft 13th company law directive would be amended in such a way as to limit the power of directors in a "target" company to buy their own shares.

● The 5th directive on company law - which already contains provisions aimed at limiting the circumstances in which sensitive foreign policy issues can be used to justify large numbers of non-voting shares - would be sharpened.

● The second company law directive would be changed so that limits would be placed on the ability of a subsidiary company to buy shares in its parent as a defensive ploy.

regulation. West Germany and the Netherlands, on the other hand, are prominent in the "conservative" camp and are expected to fight hard to maintain at least some of their companies' traditional defences.

Mr Bangemann's blueprint does not suggest a separate new directive as such, rather a series of amendments to existing and draft EC legislation. There are essentially three prongs to his proposed attack.

● The draft 13th company law directive would be amended in such a way as to limit the power of directors in a "target" company to buy their own shares.

● The 5th directive on company law - which already contains provisions aimed at limiting the circumstances in which sensitive foreign policy issues can be used to justify large numbers of non-voting shares - would be sharpened.

● The second company law directive would be changed so that limits would be placed on the ability of a subsidiary company to buy shares in its parent as a defensive ploy.

Athens' economic plight under discussion

By David Buchanan in Brussels

A SENIOR EC Commissioner flies to Athens today to help Greece out of an economic predicament that could undermine Community moves towards monetary union on the basis of economic convergence among the Twelve.

Mr Jacques Delors, the Commission president, has told the Greek premier that his country's problems should be solved "within the family" of the EC. He wants to avoid any possibility of Greece going to the International Monetary Fund, as some of Greece's EC partners have suggested it should do. Mr Delors recently wrote a stiff letter complaining that Greece had failed to reach performance targets

of \$1.5m (£700m) in the first two months of this year and a public sector deficit of 23 per cent of gross domestic product.

Mr Jacques Delors, the Commission president, has told the Greek premier that his country's problems should be solved "within the family" of the EC. He wants to avoid any possibility of Greece going to the International Monetary Fund, as some of Greece's EC partners have suggested it should do. Mr Delors recently wrote a stiff letter complaining that Greece had failed to reach performance targets

agreed as part of a 1988 balance of payments loan of Ecu 1.75m provided by the EC.

For Mr Delors, recourse to the IMF would send just the wrong signal when he is trying to persuade the 12 that they can proceed to monetary union on the basis of each country setting, and abiding by, its own budgetary discipline. If Mr Christodoulou fails to tighten his own belt, then the logic of monetary union may point to central controls on countries' budget deficits.

Though favoured by central

bankers, such centralised controls are hotly contested. Mr Delors knows, by the UK and some others.

Brussels' worries are heightened by the fact that Greece last year fell below Portugal to the bottom of the Community wealth-per-head league, and is making poor and slow use so far of the Ecu 7m (£3.2m) in structural aid promised between 1989 and 1993. To get Community money, Greece has to make matching investment funds, and Brussels is worried lest Athens prove investment as much as consumption.

Prague seeks formal accord with EC

By David Buchanan in Brussels

CZECHOSLOVAKIA WANTS its aspirations to eventual European Community membership enshrined in a formal association accord with Brussels, Mr Marian Calfa, its Premier, said yesterday.

His signature was hardly dry yesterday on Prague's new trade and economic co-operation deal with the EC when the Czechoslovak leader was calling for negotiations to start this autumn on a second-generation association agreement giving his country financial aid and regular political contact with the EC.

Mr Francis Mando, a junior UK foreign office minister, reiterated a suggestion that Prague be rewarded by the EC lifting all specific quotas immediately, rather than in three years, as yesterday's trade accord specifies.

Later, Warsaw, Bulgaria and East Germany will sign first-stage trade accords with the EC, though East Berlin's new trade arrangements will be overtaken by its impending incorporation into the EC.

EC foreign ministers yesterday told diplomats to step up preparations for the Community to decide on reforming EC political institutions at the Dublin summit in June. In response to particular British anxiety for proper preparations, Mr Gerald Collins, the Irish president of the EC, said he might summon a third ministerial meeting in addition to two already planned.

The desire to appear even-handed between East Germany and the rest of eastern Europe yesterday led to diplomatic confrontations by Italy.

It refused to join its EC partners formally in lifting visas for East Germany, unless the same was simultaneously done for Czechoslovakia and Hungary, but said it would come to a separate visa-removal deal with East Berlin tomorrow.

Effectively, therefore, East Germans will soon no longer require even tourist visas to visit the whole EC.

Prospect of no duty-free sales alarms airports and passengers alike

With no cheap drinks after 1992, travellers will have to pay higher fares, Paul Abrahams reports. And British airports will be worst hit

ENDING duty- and tax-free sales at airports could become the most unpopular measure the European Commission has ever envisaged. Not only would Jean-John and Co. be unable to buy their favourite tipple when they set off on holiday, but they might end up having to pay more for their air tickets as a result.

Commission officials argue that the logic for duty-free sales will disappear after 1992, with the planned removal of internal Community customs barriers. This step has yet to be agreed by EC governments, several of which have strongly resisted Commission proposals for aligning their value-added and excise taxes more closely.

Duty- and tax-free sales by the EC air transport industry are an important source of revenue for both airlines and airports. A report for the International Civil Airports Association by consultants Coopers & Lybrand estimates that duty-free goods worth Ecu1.5bn (£1.19bn) were sold by EC airlines and airports in 1988. Eightybn of them to intra-EC passengers.

Airports, which normally receive a share of the turnover of duty-free shops, would be particularly vulnerable to the abolition of intra-Community sales. These account for about 15 per cent of income for Schiphol, Amsterdam's airport, while in 1988 Aéroports de Paris received FF1.25bn (£13bn) - about 10 per cent of turnover - from duty-free sales. According to a study by the Netherlands Economic Institute of Rotterdam, UK airports are most vulnerable because they have the highest sales of duty-free, some Ecu35m in 1987-88.

Duty-free sales are also highly profitable. Indeed, fat margins at duty- and tax-free shops have attracted criticism in recent years. Last year Schiphol earned £1.19bn (£3.74m) from concessionaires with a turnover of £1.41m.

BAA, formerly the British Airports Authority, which earns about £100m a year - about a fifth of its profits - from duty-free sales, estimates that ending intra-Community sales would halve these profits. The airports argue that profits from duty-free help keep airport

charges down. They say any loss in revenue from duty-free would have to be borne by the airlines, through increased airport handling charges which would eventually be passed on to passengers.

The airports would also have to pass on refurbishing costs created by the end of duty-free sales. Intra-EC passengers would have to be separated from those travelling from non-EC destinations if the sales were ended. BAA estimates that at Gatwick airport, domestic and intra-EC passengers account for about 60 per cent of total traffic. Mr Barry Goddard, head of parliamentary affairs at BAA and a director of the Duty-Free Confederation, believes refurbishing would take five years to complete and cost tens of millions of pounds.

However, the airports face a problem in establishing who should pay for the work and loss of revenue. Non-EC airlines will be reluctant to bear the additional costs because they will still be carrying passengers able to buy duty-free. EC carriers will argue



that their passengers, who should no longer need to pass through customs and passport controls, will use fewer airport facilities.

The impact on airlines could be substantial. BAA estimates that if revenue lost through the abolition of duty-free sales was spread across all airline aircraft handling charges would need to rise by between 16 and 18 per cent. If concentrated among intra-Community flights, the increases could be in the order of 35 per cent. On average, airport charges represent about 7.5 per cent of short-haul airlines' costs. The Coopers study estimates that the cost of tickets on intra-EC scheduled services could increase by between 1.1 per cent and 2.3 per

cent, a direct result of increased airport handling fees.

Charter operators would be particularly hard hit. As well as facing increased handling charges, they would lose revenue from duty-free on their flights. In 1988, charter operators on intra-EC routes sold Ecu230m worth of duty-free goods on flights. Many only made a profit because of these sales.

Coopers maintains that the combined effect of the loss of these sales, rising airport handling charges and increased salary costs - on average, charter airline staff receive commissions on duty-free equivalent to 20 per cent of their salary - would force up the cost of package tours by between 1.5 and 1.3 per cent, and air fares by between 4.2 and 6.6 per cent.

Profits at most big European airlines have already been hammered over the last six months by rising operating and capital investment costs. Increased air traffic control fees, security charges, fuel costs and higher interest rates have all taken their toll, while passenger volume has also grown more slowly

than capacity on many European routes.

KLM Royal Dutch Airlines, Alitalia and Air France have all reported sharp falls in profit. Three UK charter companies, British Island Airways, Paramount Airways and Novair, owned by the Bank Organisation, have ceased trading over the last six months. And last week, German Wings, the West German independent airline, filed for bankruptcy with estimated losses of DM50m (£12.2m) after only one year of operations.

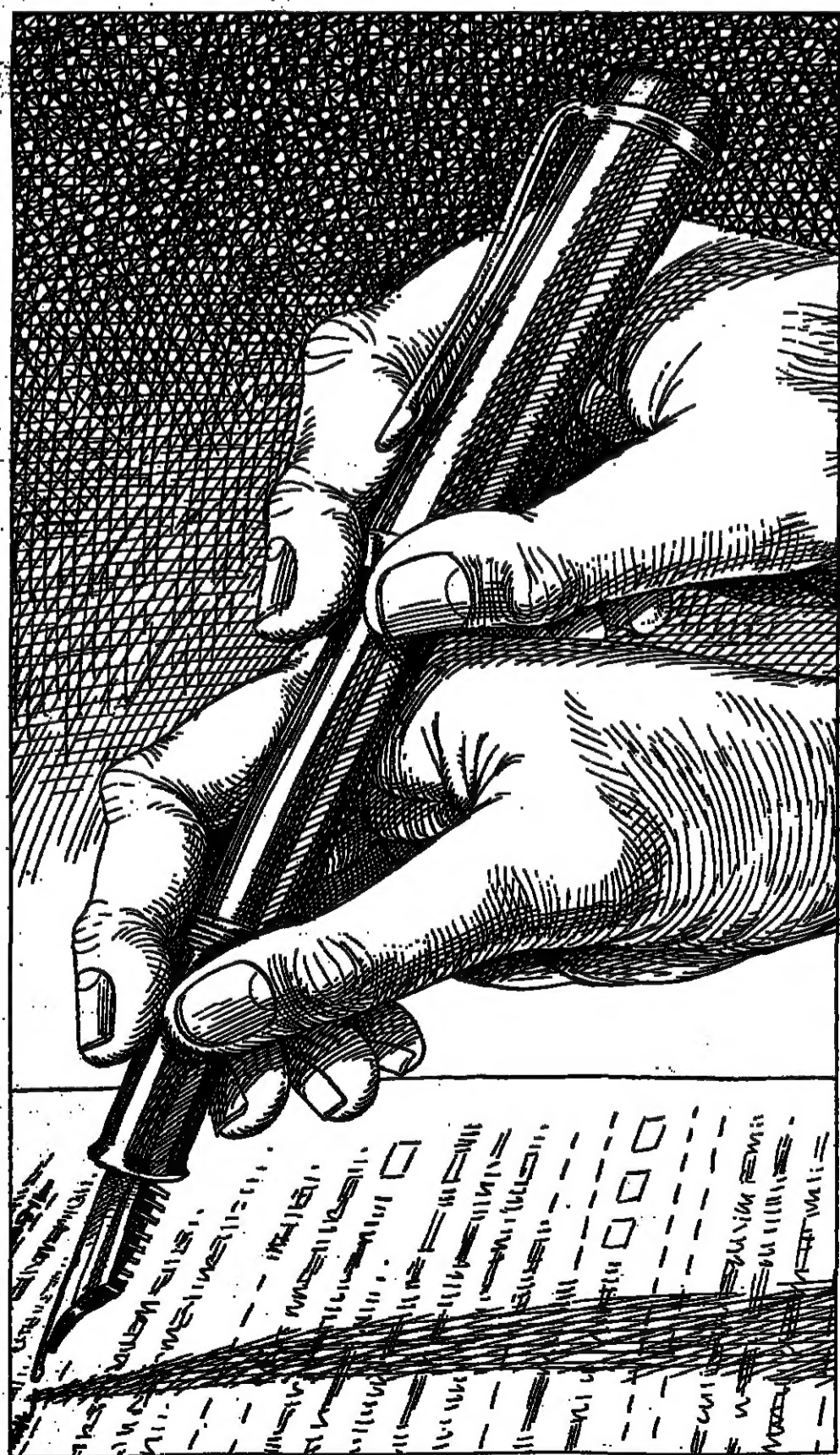
One final economic implication of the abolition of duty-free sales is for makers of goods typically sold at airports and ferry ports. Although tobacco manufacturers expect former duty-free sales to be transferred to the domestic market, the premium alcohol and perfume markets could be severely affected. Perfume and alcohol sales represent respectively about 27 and 26 per cent of all duty-free sales at EC airports. Aéroports de Paris estimates that some perfume manufacturers make

half their sales through duty-free shops and argue that many premium brands would be unaffordable elsewhere. There is concern in the UK that malt whisky sales could also suffer. None the less, harmonisation of VAT and excise duty should lower high-street prices for such luxury products in EC countries which at present charge high rates.

It remains unclear, however, whether duty-free sales will disappear immediately after 1992. Mr Goddard at BAA points to difficulties in establishing common rates for VAT and duties on alcohol throughout the EC. Until such discrepancies disappear, and controls other than for drugs and weapons finally end, he says, there are arguments for continuing duty-free sales for a transitional period.

Others also seem to be betting against rapid change. Eurotunnel, the company which will exploit the channel tunnel when completed, is planning duty-free facilities at its terminals in both the UK and France. The tunnel is scheduled to open in June 1993.

Import and export paperwork. Need a hand?



There's one international language that almost no-one in business can speak.

It regularly appears in foreign trade paperwork. And it's called Double-Dutch.

Take a Letter of Credit application form, for example. While it's almost impossible for the uninitiated to understand, it's imperative to fill it in correctly.

Because it's legally binding.

And a tick in the wrong box can leave your goods stranded on a quay in Qatar. Or a warehouse in Woolloomooloo.

Luckily, Lloyds Bank have people who are experts in translating gobbledegook into plain English.

Once we know your exact wishes, we'll sit down with you and help you complete the paperwork.

This is just one of the services we offer our business customers.

We want your business to run smoothly. It makes our business run smoothly.

You'll find we're bankers who think more like businessmen.



THE THOROUGHbred BANK.

Lloyds Bank Plc, 71 Lombard Street, London EC3P3BS.



THE PHILHARMONIA

HIGH PERFORMANCE

Philharmonia performances are second to

London's Royal Festival Hall, a private bar with

none ■ We play to packed audiences with the

complimentary drinks and programmes, free

very best international conductors

car parking, prominent accreditation



ON ARRIVAL

Free car parking facilities will be available for you and your guests or, if you prefer, a privileged parking space adjacent to the Royal Festival Hall can be reserved at very little extra cost. We will also reserve a cloakroom for corporate members and their guests.

and soloists. The quality of

in programmes and concert

our concerts extends to the

diaries, the opportunity to

quality of our corporate

advertise in programmes

entertaining ■ rather like

and to meet members



THE INTERVAL

Rather than joining the interval crush, you and your guests can relax in the comfort of the Private Bar, where a member of The Philharmonia staff will be happy to discuss questions regarding the music or attend to requests such as ensuring that a taxi is waiting for you after the performance.

your company's performance, our

of the orchestra ■ These benefits

concerts are, in every sense equally

are designed to meet your

finely tuned – yet each is unique

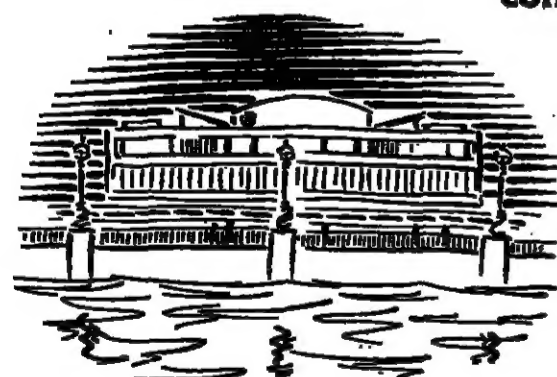
company's needs. However, we

The Philharmonia invites you to

are always prepared to create

consider the ways in which

tailor made packages



BEFORE THE CONCERT

We invite you and your guests to enjoy a complimentary drink in the comfort of the Corporate Members' Private Bar, where orders may also be placed for your interval refreshments. Here, too, you will find complimentary programmes in which your company's support has been prominently acknowledged.

the privileges of

to suit you ■ We

corporate membership can

will attend to every detail

enhance the pleasure of these

to ensure that your evening

musical occasions ■ For

is pleasurable in every



AFTER THE CONCERT

We will gladly make reservations for you at the Royal Festival Hall's stylish Review restaurant. Alternatively, we will help you arrange a private reception for any number of guests in one of the Hall's well-appointed hospitality suites.

between £1,500 and £4,600 you can enjoy

way ■ But isn't that what both music

the same best seats for 30 concerts at

and corporate entertainment are all about? ■

To find out more about The Philharmonia Corporate Membership and its benefits - send for the brochure today.



Name _____
Position _____
Company Name _____
Address _____
Postcode _____
Telephone No. _____

Please return to: Vivien Garrett, Corporate Membership Officer,
The Philharmonia, 76 Great Portland Street, London W1N 5AL
Or telephone 071-580 9961

Business opposes EC employee involvement plan

By John Authers

MANY UK companies oppose the European Commission's Social Europe Action Plan on worker participation, a survey for the Confederation of British Industry suggests today. Only 10 per cent think the proposals are of any value.

However, 80 per cent support increased employee involvement, with only 3 per cent completely opposed to the idea.

The CBI questioned 1,285 of its member contacts, and received 443 responses. Mr John Banham, director-general of the CBI, said the results showed a practical and flexible response to the demands of the European single market, and an objection to "dogma from Brussels."

He said: "The CBI has always believed that participation is best achieved by involving employees in the operations of companies on a voluntary basis, rather than by the imposition of inflexible regulations which would effectively put business in a strait-jacket."

The survey also produced evidence of support from business for greater starting stability. Almost 70 per cent of the companies questioned expected to benefit from a single European currency. Of those, 40 per cent wanted that currency "as

soon as possible." Small suppliers are the most likely losers as a result of the switch to the single European market, the survey shows, with around 20 per cent of larger companies planning to reduce their suppliers.

Most businessmen have lost confidence in the economy over the last six months, according to a survey by the Institute of Directors, published today.

The proportion of pessimists has increased from 56 per cent to 64 per cent since February, with only 15 per cent feeling more optimistic. In spite of their fears for the economy, though, directors are bullish about their own companies' prospects - 52 per cent are more optimistic than they were six months ago, a strong improvement on February's 43 per cent figure.

Business volume and profits are levelling out, having declined steadily over the last year, and most directors expect some increase in employment. Almost 60 per cent of companies plan continued investment over the next two quarters, most at an increased rate.

The survey of 200 IOD members is carried out every two months by Taylor Nelson Research.

Crusader opens war of words in the air

Paul Betts and Paul Abrahams look at BMA's campaign for more air slots

Michael Bishop, the chairman of British Midland Airways, is on a crusade to ensure his airline's survival as the only UK flag carrier competing with British Airways on domestic and short-haul European routes out of Heathrow, London's leading airport.

Mr Bishop has intensified his lobbying of Whitehall, Parliament and the media and has taken his campaign to the European Commission.

Barely eight years after the demise of Laker Airways, Sir Freddie Laker's budget charter airline, Mr Bishop suggested that there was a growing risk of dominant European carriers trying to put smaller airlines out of business. The collapse of this week of German Wings, a start-up airline, he says, was an eloquent example of the difficulties facing the smaller independent operators.

"I won't let it happen to us," Mr Bishop said, outlining a range of initiatives his airline had taken to try to win a bigger share of air transport, both domestically and in Europe.

In London and Brussels, Mr Bishop has vigorously opposed plans by BA and KLM, the Dutch airline, to take 20 per cent each of Sabena World Airlines, of Belgium, and to establish a new European hub based in Brussels. BMA says the deal under investigation by the EC



Michael Bishop: Links between carriers uncompetitive

and the UK's Monopolies and Mergers Commission, would seriously distort competition. Both the EC and the MMC are expected to decide by the end of June.

EC competition officials are concerned by recent partnerships and alliances between large carriers. They fear these will make it difficult for small competitors to enter the market and risk pre-empting the EC's latest efforts to liberalise European air transport, the

second stage of which is due to be approved next month.

Mr Bishop argued yesterday that alliances between dominant carriers were clearly uncompetitive, but that investments by large airlines in smaller airlines could help to strengthen the financial and competitive position of these second-tier carriers as long as they remained independent.

Mr Bishop is also opposing the co-operation agreement between Air France and Lut-

thansa, and the Air France takeover of UTA, the independent French long-distance airline, and Air Inter, the French domestic carrier. He is worried that many European governments, especially France, are fundamentally opposed to the operations of smaller, independent airlines, favouring instead the concept of national carriers.

Mr Bishop has also filed a complaint against Aer Lingus. But BMA's main battlefield is much closer to home. Mr Bishop, whose airline provides BA with most competition on domestic routes out of Heathrow, has complained that his company is finding it increasingly difficult to compete with BA.

Mr Bishop has long campaigned for more slots at Heathrow, although BMA has the second-biggest position with 14 per cent of slots compared with BA's 38 per cent. He said the national carrier was abusing its position on the scheduling committee at Heathrow, which allocates take-off and landing slots. BA provides the committee's secretariat and holds the chairmanship. The committee's main task is to allocate slots to airlines, which are then to be in the same office as BA's fleet planning office.

BA had used information from the committee's computer system to provide slots to increase the frequency of flights on its London to Glas-

gow routes, Mr Bishop alleged. However, BA had also had a fall in its passenger load factors of about 10 per cent to around 60 per cent. That increase in capacity without sufficient demand, he argued, represented predatory competition.

BMA had only been able to respond by increasing its frequencies from eight to nine flights because of a shortage of slots. In spite of the increase, BMA's share of the market had fallen to 25 per cent at the same time that its load factors had also declined. He admitted that the airline's Glasgow operations were becoming marginal.

Mr Bishop has now asked for daily access to the slot scheduling computer at Heathrow.

BA vigorously rejected Mr Bishop's tirade for greater competition. The airline said BMA was not seeking competition but protection from competition by substitution of themselves for BA and other UK airlines.

BA yesterday issued a statement denying "predatory behaviour" on the Glasgow service. "We do not control the Heathrow scheduling committee," it said, and added that BMA was "not as badly off for slots at Heathrow as they claim."

The war of words has only just begun.

Port traffic drops for first time in eight years

By Richard Tomkins, Transport Correspondent

FREIGHT traffic through UK ports fell by 2 per cent to 480m tonnes last year - the first fall in annual tonnage since 1981, according to provisional figures from the Department of Transport and the British Ports Federation.

The decline was wholly attributable to a fall in British oil exports, which were 9 per cent lower at 250m tonnes. Other goods handled were 6 per cent up at 230m tonnes.

Domestic traffic was virtually unchanged over the year, but the combination of an 11 per cent fall in exports and a 3 per cent rise in imports left overall foreign traffic down 3 per cent at 302m tonnes.

London remained Britain's busiest port, handling 54m tonnes, followed by Sullom Voe with 41m tonnes - mostly crude oil. Next were Tees and Hartlepool (39m tonnes), Grimsby and Immingham (38m tonnes), Milford Haven (33m tonnes) and Southampton (26m tonnes).

Port Statistics Bulletin: Provisional Traffic Statistics 1989. British Ports Federation, Victoria House, Vernon Place, London WC1B 4LL. £12.

Hungary enterprise agency talks to start

By Hazel Duffy

BRITISH executives with business interests in Hungary will hold exploratory talks today in Budapest about setting up a network of bodies akin to enterprise agencies.

The plan is that the agencies would advise people setting up new businesses and wanting to expand existing businesses.

Prince Charles, president of Business in the Community (BIC), the umbrella group of enterprise agencies in the UK, will lead the discussions.

Enterprise agencies were picked by Britain as the peculiarly British means of helping the Hungarians. British experienced many of the difficulties arising from industrial restructuring in the first half of the 1980s that Hungary is expected to go through.

Redundancies will be one consequence of the return of the economy, and particularly privatisation. Preliminary studies by BIC and others suggest that there is as yet no strategy for handling mass redundancies humanely.

In Britain, the enterprise agency movement grew out of a mixture of some companies that wanted to help the people they had made redundant and



Prince Charles: leading the British team in Budapest

the Government's enthusiasm for entrepreneurship.

BIC says it does not want to set up a replica of the movement in Hungary. The aim is to identify and build up the most needed services, and particularly the training of people to act as business counsellors.

A framework will also be sought to ensure that big foreign companies, and joint ventures, should establish a relationship with small local companies and give them support.

Man charged in Belfast

A MAN was charged in Belfast yesterday in connection with the murder of two army corporals during an IRA funeral in the city more than two years ago.

Mr Bernard McKinnon, 22, from New Banbury Crescent, Belfast, appeared at the city's magistrates court on charges of falsely imprisoning Corporal David Howes and causing him grievous bodily harm. Mr

McKinnon was remanded in custody until May 18.

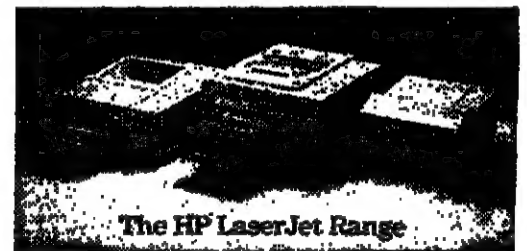
Last June two men from west Belfast, Mr Alexander Murphy, 32, and Mr Henry Maguire, 30, were convicted of murdering Cpl Howes and Cpl Derek Wood and were sentenced to a recommended minimum of 25 years in prison.

Their appeals are due to begin at the Court of Appeal in Belfast next week.

Make your weekly report as good as your annual report.



The Hewlett-Packard guide to quality output.



O.K. So you've been really smart. Maybe you pulled off the big sale that everyone said couldn't be done. When you show your board you want it to look really good. You want an HP LaserJet.

HP LaserJets are the world's best selling range of laser printers. They are the standard by which all others are judged.

We created the mould that everyone else copied and then smashed it with the revolutionary new HP LaserJet III, a printer that literally rewrites the rules.

Using Hewlett-Packard's advanced Resolution Enhancement Technology, curves have never been sharper, blacks have never been blacker and choices of fonts in scalable sizes have never been greater.

For higher volume applications there's the HP LaserJet IID. It prints on both sides of the paper, has dual bin facility and is ideal for users on a network.

And for smaller businesses we invented the world's first truly portable Laser printer. The HP LaserJet IIP has a footprint no bigger than an intray and a price tag to match. And of course, all our products come with our one year on-site warranty.

So if you want the edge in your business, whatever it is, speak to Hewlett-Packard, because we know we only look good if you do.

For full details call (0344) 369369.



HEWLETT
PACKARD

THE POSSIBILITY MADE REALITY.

WATERBURY CONSTANTIN



THE Perfect Savings Partnership

14 DAYS
NOTICE DEPOSIT
14.37%
PA GROSS

For your short term savings
£5,000 minimum deposit
Interest credited quarterly
Rates are variable

1 YEAR
FIXED DEPOSIT
15.00%
PA GROSS

For your longer term savings
£1,000 minimum deposit
Interest paid at the end of the deposit period

Rates correct at time of going to press
Now you can benefit from the advantages of the perfect savings partnership offered by Lombard. The Lombard 14 day notice deposit account is ideal for your short term savings earning you a good rate of interest with easy access. And for your longer term needs, there is the one year fixed deposit where the rate of interest is guaranteed not to change during the period of deposit.

Whether you choose one or both of these you can be assured that your Lombard deposit account will be confidential. As an added benefit for overseas residents, all interest is paid without deduction of tax at source.

All this adds up to the perfect savings partnership - what more could you wish for your money?

You can find out more without any obligation by writing to Stephen Carter and asking for a copy of our Savers & Investors brochure no. 535 or simply by completing the coupon.

To: Stephen Carter, Lombard North Central PLC, Banking Services Department 532, 35a Curzon St, London W1A 1EL, England. Tel: 0737 77661.

Please send me, without obligation, a copy of your Savers & Investors brochure and current rates. (Please write in Capital letters)

NAME (print name/surname)

ADDRESS

Registered in England No. 237004. Registered Office: Lombard House, 35a Curzon St, London W1A 1EL, England.

A member of the Lombard Group of Companies. Lombard Group plc is a member of the Financial Markets Fidelity Group.

Lombard

The Complete Finance Service
Deposit Accounts

BRAZIL

The Financial Times proposes to publish this survey on:
27th June 1990

For a full editorial synopsis and advertisement details, please contact:

Nigel Hicknell
on 01-873 3000

or write to him at:

Number One
Southwark Bridge
London
SE1 9HL

FINANCIAL TIMES
EUROPE'S BUSINESS NEWS

UK NEWS

Figures expected to show rise in retail price inflation above government estimates

London fears prices will bolster wage claims

By Andrew Marshall and John Gapper

CITY of London analysts have raised their forecasts of UK inflation, as fears mount that high price increases will become built in to wage rises.

The annual rate of retail price inflation may rise to 8.25 per cent in the fourth quarter of this year, according to the average of 12 City analysts included in the FT's three-yearly survey of economic forecasts.

This is a full percentage point above the Treasury's forecast. When a full survey was taken only three weeks

ago, the average City forecast was 7.7 per cent. Figures to be released on Friday are expected to reveal that the Retail Price Index rose by 3.3 per cent in April alone, according to a survey of predictions by IDEA, the financial research company.

This monthly figure would be higher than the annual rate of inflation in many European countries.

It incorporates rises in mortgage repayments, the new local community charge, excise duties and public sector

charges. This would indicate an annual rate of inflation of 9.7 per cent, the highest since May 1982.

The highest forecasts for April are over 10 per cent. But analysts fear that April will not be the peak, and that inflation will carry on rising well into the summer.

The deteriorating inflation climate is likely to make settlements coming at the end of the spring wage round more difficult to settle.

Unions at London Under-

ground last week rejected a 9.3 per cent pay offer from management.

The most significant private sector pay talks immediately following Friday's inflation figure, will come the following week when Imperial Chemical Industries responds to a pay claim covering its 25,000 manual workers.

Last year's pay award of 9.8 per cent by ICI was one of the leading figures in the private sector, and provoked criticism from ministers. The ICI talks will be among the first leading

up to the autumn wage round. Meanwhile, the pay research group Income Data Services yesterday reported a series of pay awards of more than 10 per cent for staff in sectors ranging from chemicals to building societies and retail distribution.

Pay rises of 10 per cent or above, including merit and performance payments, have been made at building societies including Northern Rock. Retail staff at Safeway have been given awards of between 6 and 25 per cent.

Government staff earn less than EC target, says report

By Michael Smith, Labour Correspondent

NEARLY 16,000 support grade workers in the UK's government administration staff, or 'civil servants', earned less than the EC's average of £163 a week last year, according to a survey published today.

The Low Pay Unit found that UK support grades, including telephonists, security officers, messengers and cleaners, earn less than those undertaking comparable work in Belgium, Denmark, Germany, Italy, the Netherlands and Spain.

Equivalent workers in France and Greece are paid less still, however. In another report, the Labour Research Department finds that compulsory competitive tendering in the civil service has significantly depressed cleaning wages.

There are now only about 2,700 directly employed cleaners in the civil service compared to a peak of 12,000.

The average pay per hour for a cleaner employed by private companies contracted to clean government buildings was £1.58 compared to the civil service directly employed rate of £2.54.

Few of the workers employed by contract cleaners are in trade unions and there is little opportunity to negotiate better pay and conditions.

The Low Pay Unit report found that on average a support grade civil servant in the UK earns 15 per cent less than their equivalents in Europe and 27 per cent less than the European average.

The pay in Britain of between £463 and £638 a month compares with the equivalent of between \$704 to \$963 in Denmark where earnings are the highest in Europe.

Mr Chris Easterling, assistant secretary of the NUCPS civil service union, said low earnings should be attacked through legally enforceable minimum wage protection and not through a social security safety net.

Local election results win respite for the government but debate continues on new local poll tax

Tories play down challenge to Thatcher's leadership

By Alison Smith

A GROWING difference emerged yesterday between ministers and backbench Tory MPs about how much the new local community charge, or poll tax, should be changed in the light of last week's local election results.

Ministers who are conducting a review of the poll tax still say that major surgery is not needed and that the significant lesson is that voters rewarded councils which set low charges.

They point to results such as those in parts of Greater Man-

chester where the Tories won seats after setting the lowest poll tax in the region.

But the results, which were described by Mr Peter Viggers, Tory MP for Gosport and a former minister, as "diabolical", have confirmed the belief among some Tory MPs that substantial modifications are needed.

Party managers are playing down the likelihood of a challenge to Mrs Margaret Thatcher's leadership this year. Sir Geoffrey Howe, the Deputy Prime Minister, said on

BBC radio that the great majority of the Tory Party "are determined that the leadership issue should be set to one side."

However, if Tory MPs are disappointed by the results of the review, due to be announced in July, then the prospect of a challenge could increase.

Before then, the difference between ministers and backbenchers on the poll tax will be highlighted later this week, when Mr Michael Heseltine, the former Tory cabinet minis-

ter, outlines his own ideas for improvement.

One minister involved in the review said that it was concentrating on areas of local authority discretion in setting the standard community charge, and on schemes for rebates and relief.

The priority is to devise a system which ensures that any extra money from central government is passed on to poll tax payers, and is not swallowed up in higher local authority spending.

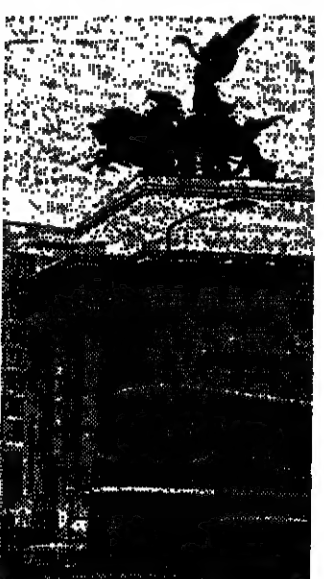
One way this was done

under previous local government finance legislation was through central government spending targets and the "hold-back" of a proportion of grant if these were exceeded.

But ministers say such an approach would be "very bureaucratic". When the Government introduces shortly an additional single-issue poll tax bill to exempt owners of caravans from the standard community charge, ministers can expect to be pressed on wider-ranging changes.

A revolution on board London's buses

By Fiona Thompson, Labour Staff



SEVEN men and one woman will this morning set out on a revolutionary scheme to change the way London Buses are run - with the aim of making careers for themselves.

The eight are taking part in a revolutionary scheme launched by London Buses to beat its staffing difficulties with a pre-recruitment training course for them.

The Industrial Society designed the course and has trained London Buses how to run it.

The thinking behind it is that while the long term unemployed form a big pool of potential recruits for London Buses, past experience has shown that few succeed at the

interview stage.

This is not necessarily because they are wrong for the job - rather that they lack the confidence and skills needed during recruitment interviews.

The Industrial Society, believing these skills can be taught, approached London Buses a year ago offering to run a pilot pre-recruitment training course for them. London Buses was keen. 13 long-term unemployed people participated and in March 1989 seven were hired.

"If the people who came on that course had just applied for jobs on the street, none of them would have been accepted," said Mr Phil Gray at

the company's development and training services division. As it is, the seven hired are all still there and doing well.

And London Buses' first course begins this today. The jobs available for those who succeed are as 'midi-bus' drivers, conductors and clerical positions. The only requirements for people wanting to take part on a course are that they are over 18, have been unemployed for six months and, for drivers, that they have a valid licence.

Participants are taught how to fill in application forms and are shown how to apply for jobs. Mock interviews covering the do's and don'ts are

conducted and everyone spends a day at a bus garage to get an idea of what working conditions are actually like.

A London Buses personnel manager gives a talk explaining what the company is looking for in recruits, emphasising the importance of shift working. Everyone on the course is guaranteed a job interview at the end.

"We think the scheme is a great success," said Mr Gray. "It is very cost effective. It costs £4,000 to train a driver. If you've already spent two weeks training and testing someone, you pretty much know its going to be a success."

BUSINESS OPPORTUNITIES

PRIVATE INVESTORS REQUIRED

Small but highly successful Finance Brokerage require funds to expand direct lending subsidiary. Specialists in secured lending market. Property owners without capital considered.

Write Box 89759, Financial Times, One Southwark Bridge, London SE1 9HL

UNSECURED COMMERCIAL FINANCE
BURNS-ANDERSON TRADE FINANCE LIMITED are able to offer professionally managed UNSECURED Finance for trade (minimum £25,000) to good quality commercial applicants. Our reputable service is tailored to your needs and is designed to complement your existing banking facilities, not replace them. If you would like further information, telephone Paul Newman ACA or Ruth Lamb on 061 832 0404 or write to them at BURNS-ANDERSON TRADE FINANCE LIMITED, 5 St John Street, Manchester M2 4DH.

Berkeley Square, W1
Immediately available - exceptionally furnished, self-contained, air-conditioned office suite with full services/terms by arrangement. For full details: phone or fax Nightingale Secretaries, 13 Berkeley Square, London W1X 8EG.
Tel: 071-428 6116 Fax: 071-421 451

FOR SALE
SOLE DISTRIBUTORSHIP
of a fully featured and documented business package with sales, purchase and control ledger, sales order processing, stock control and payroll. M.S. DOS based single and multi-user. Available to an individual or company with proven marketing ability. For further details principals only should write to: Pacific Finance Plc, 19/20 Lancaster Way, Widdow Road, Ely, Cambs CB6 3NW

Short term finance for long term growth.
Working capital finance for stock and work in progress. For details contact M. Pridant or A. Beale. CHURCHILL MERCHANTS LIMITED, Churchill House, 2 Essex Gate, Isleworth, London SW17 9UL. 071-750 0429

U.S. HICKORY WOOD
Major U.S. manufacturer can supply regular bulk or prepackaged quantities of prime quality hickory wood products. Models, shipped or in sawdust form, would complement barbecue coal supplies as flavour enhancer. Interest from agents, distributors, local manufacturers welcome. Contact: Alan Patrick, Managing Director, 204/Jan, 15 Sheet Street, Windsor, Berks SL4 1BN Tel: 0753 859931

DIVERSIFICATION/ACQUISITIONS
SEARCH
Successful Institutionally backed management team seeks new commercial ventures. Well experienced in Asset Management and Financial Planning will sell or acquire investment or acquisition of small cash generative business with existing management in place. Southern England preferred, capital in excess of £25,000 available for suitable venture. Write Box 89769, Financial Times, One Southwark Bridge, London SE1 9HL

DISTRIBUTING AND TRADING COMPANY
In the centre of Germany. Specialized in supplying D-I-Y products to the markets. Is interested in representing UK suppliers. For information please refer to: Finnhaus GmbH, P.O. Box 130288, D-5450 Neuwied 13 Tel: 02251/5153 Fax: 02251/54776

crosslink international
Your office in BRUSSELS WARSAW BUDAPEST LONDON Fully furnished, first class executive services. Prestigious locations. Tel: London 01-207 3099 Brussels 02-535 7800

INVESTMENT OPPORTUNITY
Established business publishing project seeks development funds. Its unique market position offers extraordinary publishing and exhibition opportunities in the UK and Europe. We seek £200,000 for equity participation in return for substantial capital growth, dividend income after 12 months and an exit route. Working participation would be considered. Write Box 89649, Financial Times, One Southwark Bridge, London SE1 9HL

COMMERCIAL LOANS
5 year capped rates from 9.5% minimum loan £1 million - maximum LTV 80%. The Commercial Company of Wales Ltd (0602) 82277

RAISING MONEY?
For assistance contact: DAVID TURNBULL F.C.A., D.A. TURNBULL & CO Chartered Accountants 7th floor, Victoria House, Victoria Road, Aldershot, Hants. Tel: 0253 27665 Fax: 0252 310890

Midwest USA St. Louis/Chicago
Resident English Lawyer/MEA (Wash State) with good contacts in the Midwest prepared to advise on and undertake corporate investigations, financial and market research. Fax: MURPHY 0191 (514) 736 4768

FUNDS REQUIRED
In exchange for equity. £100 - 500K to market new patented products in worldwide market. Management participation available if required. Tel: 01-647 7588, 01-644 8007

MIDDLE EAST BOOMER For practical, cost effective, expert help. Call Middle East Consultants, 0202-02021

EXPORTS TO GULF and MIDDLE EAST
DUBAI trading establishment with British management and UK branch Office offers full marketing facilities as Agents/distributors or as Partners in local manufacture etc. Write to Box 89757, Financial Times, One Southwark Bridge, London SE1 9HL

MORTGAGES
On Commercial & Industrial Properties at prime rates 5/10 years. Interest only. Minimum loan £25,000. Apply to: MORTGAGE BANKING FINANCE CONSULTANTS, 100/101 Old Street, London EC1A 3LD Tel: 01-429 5811 Fax: 01-429 4425

WINE STOCKS
S.E. England wine company, overstocked with good drinking wines from family vineyard. Well known buyers for export stock. For list, send S.A.S. to: Wine Stocks, Courtenay 5th Avenue Place London NW8 5DS

JOSEPH LEE has lots of BUYERS & SELLERS of COMPANIES, Insurance Companies & more. Also listed in Yellow Pages. Venture Capital search. Modern Fax Phone or fax 061 61002, or write to 10 Chichester, Southwell, Notts.

CONTAINER LOAD INDUSTRIAL PARTS 20' UK size half million items for sale. Ship, Storage, Street Storage + to clear 20' each. 01-7077224

BUYERS ON SELLING A COMPANY? Finance 01-49-7025

BUSINESS WANTED

ARE YOU SUCCESSFUL? DO YOU WANT SUCCESS IN FINLAND TOO?

A mature experienced well-educated couple are looking for a business-idea to start business again. We sold our company (350 employees) 7 years ago and have been travelling and concentrating on hobbies since 1983. We are now ready for business again. Marketing is our best power. We are interested in any successful profitable business idea on any branch - also in a new service. More than 250,000 tourists visit our village (120 km from Helsinki) each year.

Answers in Swedish, English or German to: Hr Ismo Salo, 14500 Iittala, Finland. Fax: 358-17-722 335

BUSINESS WANTED

BARBOUR INDEX plc

A successful quoted company providing specialist information services is interested in:-

ACQUISITIONS JOINT VENTURES FUNDING

Companies providing

INFORMATION SERVICES Directories Microfiles Databases

Please telephone Michael Lee 0344 884121 New Lodge Drift Road Windsor SL4 4RQ

Accountancy Recruitment Consultancy

Major London, high quality accountancy/financial recruitment consultancy with substantial resources seek to buy similar UK based, ambitious smaller firms with a view to expansion. A "hands off" management style is envisaged so existing management must wish to remain in the business. Benefit from very substantial advertising presence and a strong, national established presence. Preference will be given to South East based companies, but all areas considered. Complete confidentiality assured.

Address correspondence to Box H6196, Financial Times, One Southwark Bridge, London SE1 9HL

WANTED

Loss making double glazing companies in South East.

Write in absolute confidence to Box H6176, Financial Times, One Southwark Bridge, London SE1 9HL

PUBLICATIONS WANTED

Profitable expanding Publishing Company wishes to purchase business to business item. Predictable only in full confidence to Box H6197, Financial Times, One Southwark Bridge, London SE1 9HL

NON-RESIDENT

will purchase companies with tax liabilities. Will maximise price to vendor. Min Value £1M. Tel: 04011111 BANK OF FX: 41 21 823 1019

BUSINESS SERVICES

Stuttgart, Capital of Technology

You want to have a base in Germany? Stuttgart will be the right location for you. Your branch will be situated in a well situated city. City centre, you have your own telephone line, monitored 24 hours a day and comprehensive technical facilities. Further, conference rooms, secretaries translators and correspondence in all business languages, and any other services you may require in your presence and absence. We collect and bring you from and to Stuttgart Airport with its 120 direct flights a day. For the basic price of \$80, - \$125 a month, you have your branch in operation. Please write to: Reach Management GmbH & Co for International Branch Office Services in Germany, Hausmannstrasse 34a, D-7000 Stuttgart 1, Fax: code 0-711, 2261512

FOREIGN EXCHANGE RISK

Independent advice on the most effective way to minimise foreign exchange loss. Call us before your bank for a second opinion.

Currency Management Consultants Ltd
The City Business Centre
2 London Wall Buildings
London, WC2A 1LH
071 623 4200
Contact: Peter A. Cradock

PROCEDURES WRITING
We offer substantial resources and experience to enable your procedures manuals to be compiled quickly and correctly. We can advise you on the formulation of procedures or write them to match your current methods of working. Our expertise covers purchasing, accounts, quality and distribution control. PPS Ltd, Ryecote Place, 30-32, Cambridge Street, Aylesbury, Bucks HP20 1JL. Tel: 0294-392474 Fax: 0294-392729

SPAIN MEANS BUSINESS

We will have your company set up for you in Spain. We offer a full range of services: first hand information to make your decision and set up of your company covering all aspects: legal requirements, facilities and human resources. By working with us you will get the streamlined and unique contact for your set up in Spain. G & G BUSINESS SETTLING. Tel: 34-1-5564441 Fax: 34-1-5560885 (Madrid)

PINEWOOD FILM STUDIOS

venue of the stars is available for all functions, conferences, exhibitions, and private parties. Full catering for 20-1000 people. 5 formal rooms, 3 elegant bars, beautifully landscaped gardens with manicured lawns, parking. The Pines Hotel, Pine Wood, 0753-55551, Rose, Cambridgeshire

COMPANY THREATENED?

CREDITORS PRESSING? CROWN DEBTIST? PERSONAL GUARANTEES? Our business is solving problems. If anyone can help you - we can. Talk to us. Edward Keating Randolph St John Ltd Oxford OX4 2TX Tel: 0865 749508 Fax: 0865 777338 Licensed Debt Adjusters Business Consultants Interim Managers

UK NEWS

Clarke snubs EC plan for drug patents extension

By Peter Marsh

MR Kenneth Clarke, the Health Secretary, has caused concern in Britain's £200-a-year pharmaceutical industry by refusing to support proposals by the European Commission to extend patent lives on new medicines.

Mr Clarke has asked for more evidence from the industry that the proposals would aid long-term profitability without increasing National Health Spending on medicines, now running at some £2bn a year.

The idea of extending patent lives on new drugs is at the centre of efforts by West European medicines companies to strengthen their international position.

The European Commission recently published proposals to add seven years to the patent lives of new drugs, which normally have legal protection after marketing only for eight to 10 years before competitors are allowed to sell copies at lower prices.

The proposals, which the Commission hopes will come into force in 1992, require approval from the European Parliament and also from member states. France and Italy have already said they are in favour of the initiative, while West Germany has yet to indicate its position.

Large drugs companies say the patent move, which could double the effective time of legal protection for many new drugs, is essential to reduce the effects of long development times in the industry. Many new medicines take



Kenneth Clarke "agnostic" on patents issue

10-12 years to develop, eating into the overall patent life of a new product of 20 years. Much of the time is taken up with providing data to prove to regulatory authorities that the drugs are safe.

Without the patent move, according to the European drug industry, it will lose out internationally to companies in the US and Japan, both of which have introduced extensions to pharmaceutical patents.

Mr Clarke has told the Association of the British Pharmaceutical Industry that he wants more time to decide on the commission's proposal. He said he was "agnostic" on the patents issue, although full of praise for the commercial record of the UK drugs industry, which last year had a balance-of-payments surplus of nearly £1bn.

Mission to open Asian markets to Scotch

By Philip Rawstone

SOUTH KOREA and Taiwan will be pressed in talks this week to open their markets to exports of Scotch whisky. The UK industry says both countries have imposed "exorbitant and discriminatory" taxes on Scotch.

Mr Tony Greener, managing director of United Distillers, the Guinness spirits division, will put the industry's case for removal of tax barriers to the South Korean Government. He will be in a UK trade delegation led by Mr Nicholas Ridley, Trade and Industry Secretary.

South Korea imposes a 200 per cent liquor tax and a 50 per cent import duty on Scotch, making it far more heavily taxed than other imported or local spirits. Mr Bill Bewsher, director-general of the Scotch Whisky Association, is in Taiwan for similar talks with the Government there on reducing tax discrimination and distribution and sales controls.

Exports of Scotch to Taiwan last year were valued at £5.6m. Industry estimates suggest they could double within three years if the import barriers were removed.

Barrage of opposition on Mersey

Ian Hamilton Fazey looks at objections to an £800m power project

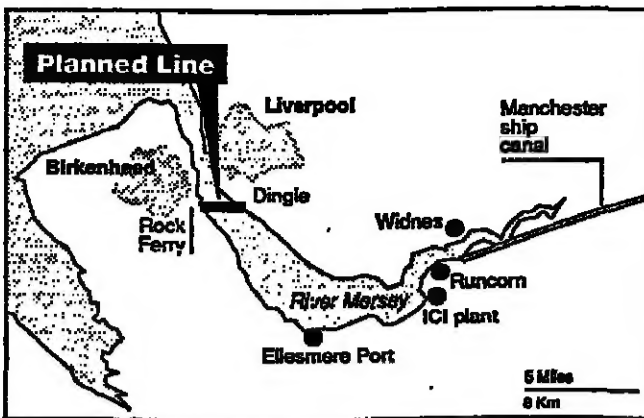
THE first serious opposition is emerging to the proposed £800m electricity-generating barrage across the River Mersey. The shipping industry believes that thousands of jobs would be jeopardised if the scheme goes ahead.

It maintains that the barrage would hamper the passage of ships between the Mersey and the Manchester Ship Canal, that Liverpool's Garston docks could not survive the disruption caused during construction, and that there would be an increased risk of ships carrying dangerous cargoes being stranded on sandbanks.

The industry believes there are also implications for the chemicals and oil complexes that crowd the south bank of the Mersey between Birkenhead and Runcorn and rely on the ship canal. It says the passage of cargoes would be affected, threatening the viability of billions of pounds of investment by companies such as Shell at Stanlow and ICI at Runcorn.

The fears have emerged in a study by the Ship Canal Users' Association (SCUSA) of the commercial and navigational obstacles the barrage would pose during its four-year construction. The report has gone to Mr John Wakeham, the Energy Secretary.

The Mersey Barrage Company - backed by a consor-



tium of 23 financial, engineering, building and local private-sector organisations - has applied to Mr Wakeham to be registered as a non-fossil-fuel source of electricity for the privatised supply industry.

A place on the register would create a market for the barrage's output of power, giving MBC leverage in raising investment - planned to be 25 per cent equity, with the rest in loans from institutions led by the European Investment Bank.

MBC said six months ago that it hoped for a parliamentary bill in 1992, with construction starting a year later. SCUSA believes potential investors will hold back if they know there will be strong

opposition and probably a long public inquiry.

Mr Michael Armit, chairman of SCUSA's Mersey Barrage sub-committee, is confident that the oil and chemical industries will join the opposition, lining up against the civil engineering and construction industries.

Some of the original backers of MBC, which developed its plans without consulting SCUSA, are likely in the end to come out against the project. Mr Armit says they subscribed to the original studies to get information. One such "backer" has already brought in its own siltation experts to prepare a secret report that may challenge earlier forecasts that the Mersey would not silt

up. The MBC claims there are no technical or other reasons to prevent the barrage going ahead.

The line would be between the site of Liverpool's 1984 international garden festival and Rock Ferry, south of Birkenhead - upstream of the Port of Liverpool and the Transmere oil jetty.

SCUSA's report concentrates on the intricacies of alternately fighting and using the Mersey's 10-metre tidal range to get in and out of the ship canal and Garston docks through a system of locks.

Windows of time for doing that are already down to three or four hours per tidal cycle. The MBC claims these would be eventually extended because the barrage would impound a lake of at least half-tide depth upstream.

SCUSA says that the windows would be halved during the construction phase. Shipping movements - 6,000 a year and increasing - would be affected and trade damaged.

Safety would also be at risk because there would be little margin for delay in negotiating the two sets of locks. SCUSA says that could lead to ships being trapped in the estuary at low tide. Many ships carry dangerous or potentially pollutant chemicals and there would be disastrous consequences if any went aground.

ICI looks into find of dumped explosive

By Peter Marsh

IMPERIAL Chemical Industries, Britain's biggest manufacturer, is investigating the discovery by fishermen of nearly 20kg of dumped explosive chemicals in the Clyde estuary in Scotland.

ICI said yesterday it was satisfied that the material was made by the company's explosives factory at Ardeer, near Glasgow and was willing to talk to fishermen's leaders.

Until last July, ICI dumped in the Clyde up to 250 tonnes a year of production waste from Ardeer together with unrequired explosives from customers. It stopped the practice on environmental grounds.

ICI said the dumping took place in a defined area roughly 15 km from the mainland. It did not know whether the fishermen had found the material in the dumping area or in other parts of the Clyde.

ICI, one of the world's top two makers of explosives, has in recent months been fined £350,000 in two separate court prosecutions concerning lax procedures in other parts of its explosives operations. The prosecutions concerned two incidents in 1988 and 1989 that led to three deaths.

Rodime moves disk drive production to Singapore

By James Burdon, Scottish Correspondent

RODIME, the Scottish disk-drive maker that was the subject of a large-scale financial rescue last year, is to transfer more of its production from its plant at Glenrothes, Fife, to Singapore and reduce staff at Glenrothes.

It intends to automate production at the Scottish plant by the end of 1992.

Rodime already manufactures disk drives in large volumes in Singapore, and the manufacture of its high-capacity 200-megabit 3½-in disk drives for all markets except Europe is to move from Glenrothes to Singapore.

The company said the move was to cut costs and that manufacturing costs at Glenrothes were "astronomical." The Fife plant will continue as an engineering, design, marketing and repair centre, and as corporate headquarters.

Staff numbers at Glenrothes are expected to fall by 35 to 307, with some production workers moving to an expanded repair operation. Rodime is also negotiating to sell its printed-circuit board assembly at Glenrothes, which will cut staff by a further 75.

Mr Peter Bailey, managing director, said: "The way to make a European disk-drive manufacturing capability truly competitive on a worldwide basis is through automation. This will allow us to operate more efficiently in the highly competitive European market-place of the future."

Once automation is complete, production at Glenrothes will increase. The company said very few of its disk-drive competitors were automated. It could not say how much the investment in automation would cost.

Eurofighter radar deal is imminent

By David White, Defence Correspondent

A LONG-AWAITED contract for the European Fighter Aircraft's radar system, potentially worth more than £1bn, is expected to be signed this week by a consortium led by Ferranti Defence Systems, the Edinburgh-based unit recently taken over by the General Electric Company.

The deal to be concluded is solely for development work, worth some £300m, of which the UK share will be about one third.

A two-year political deadlock over the choice of radar between Britain and West Germany, the two leading partners in the four-nation EFA project, was broken in January, but the signature was held up by wrangles over indemnity terms should the radar fail to meet its targets.

The other members of the consortium are Telesfunken System Technik of West Germany, FIAR of Italy and Inelco of Spain.

NEWS IN BRIEF

Welsh house prices up by 36% in 1989

THE COST of housing in Wales rose by 36 per cent last year, according to figures from the Building Societies Association, writes Anthony Moreton. The rise was faster than in any other part of Britain.

The 1989 increase followed a jump of 21 per cent in 1988. Average prices last year were £94,227 for a detached house and £32,449 for a terraced property. However, housing in Wales is still cheaper than the national average.

BHS cuts expected

REDUNDANCIES among some management-level staff are expected at BHS, formerly British Home Stores, part of the Storehouse retail group, writes Maggie Urry. The cuts, which could exceed 100 people, are expected as the result of an "activity value analysis" project.

Smoke alarm appeal

HUNDREDS of people die needlessly each year in house fires because the Government is refusing to make smoke alarms mandatory in every home, the National Housing and Town Planning Council says today. It urges ministers to follow the example of the US, where house fire deaths almost halved after laws led to the widespread installation of alarms.

Poll tax waiver

BOOTHFERRY Borough Council has agreed not to make a widow pay a £1.72 poll tax bill sent to her husband who died the day after the charge was introduced.

Mr Charlie Hallstone, 79, a former professional footballer, died at his flat in Kirkby Close, Goole, Humberside, on April 2 but his widow Mary, 78, was sent the bill for the community charge for him for two days in April.

You don't have to get up before dawn
for the finest mushrooms.
One of our UK flights before ten will do.

✈ It may seem obvious, but we believe there's no reason you shouldn't enjoy your flight, just because you're flying in the UK on business.

Simple enough, we think, to offer you a really satisfying breakfast.

Creamy scrambled eggs, crispy bacon, those lightly cooked mushrooms, a traditional English sausage, all washed down with freshly brewed coffee.

And of course, if you're travelling later in the day, we wouldn't dream of neglecting you. A spot of tea around five perhaps? Freshly baked scones smothered in strawberry jam and cream.

All of which should give you an idea about dinner (and if you're flying back in the evening we do suggest you leave room for dinner).

But as every gourmet knows, to really enjoy your meal you need more than just good food.

Like excellent service. Our cabin staff are there to pamper you, and not just at mealtimes.

Just mention when you'd fancy a bottle of claret. Or the odd glass or two of brandy.

We remember the little things too. Like proper cutlery and a hot towel before we land, to leave you really refreshed.

In fact you'll find flying with us on business such a pleasure, you'll never want to fly with anyone else. ✈

DAN AIR
SCHEDULED SERVICES

LONDON GATWICK • LONDON HEATHROW • MANCHESTER • NEWCASTLE • INVERNESS • ABERDEEN • BELFAST • JERSEY

FOR FURTHER INFORMATION CONTACT YOUR LOCAL TRAVEL AGENT OR PHONE LINKLINE 0345 100200.

IN THE HEART OF MANHATTAN
The Lombardy Hotel
111 East 56th Street
New York, N.Y. 10022
Newly Renovated Luxurious Accommodations
Singles, Doubles,
One and Two Bedroom Suites
Short or Long Term Rentals
All Hotel Services
The Lounge - 3 Star Restaurant
Please Call or Write for
Information or Reservations
Phone: 212-753-9699
Fax: 212-754-5683
Toll Free 1-800-223-6254

The Lombardy
NEW YORK

UK NEWS

Corby theme park plan in doubt

By David Churchill, Leisure Industries Correspondent

THE FUTURE of the £1bn WonderWorld theme park planned for a 1,000-acre site at Corby in Northamptonshire is still in doubt after the decision of Corby District Council to withdraw support from the project.

The council had given WonderWorld a deadline of the beginning of this month to start work on the Disney-style theme park, to be built on the site of a former steelworks.

It was concerned that the developers had not started construction on a project announced a decade ago. The developers have had several difficulties in raising finance

but a year ago announced that cash had been raised and work would start immediately.

However, work has not yet begun, as the builders have not received the money from their backers because they have not yet raised the equity portion of the launch capital.

Mr Kelvin Glendenning, leader of the Labour-controlled council, says the decision to withdraw support was difficult.

"WonderWorld has enjoyed a special relationship with the council but this can no longer be justified," he says. "We have a responsibility for the whole of Corby district and we cannot ignore the fact that our

community is very concerned."

The council's decision will have no immediate effect on the site, since outline planning permission has already been granted, but it might cause difficulties at the detailed planning stage.

WonderWorld says it has raised £125m debt financing but has been unable to place all the equity needed to complete the project's launch capital.

It is understood that the company is currently in talks with potential investors.

WonderWorld said that an announcement about the funds was imminent but could not

say when work on the site would start.

WonderWorld's troubles represent the latest blow to the UK's leisure industry, which has lost the confidence of the City in recent weeks after poor results from several operators, including Mecca Leisure.

The proposed Battersea theme park, which was originally to have opened later this month, is still derelict.

However, plans for a £2bn film studios and theme park complex at Rainham in Essex are still being considered by MCA, the US entertainment group, and a consortium of British building companies.



Vauxhall and Rover are looking to the Calibra (left) and the Metro to strengthen their fortunes against Ford

Market leader Ford checks slide in share

By Kevin Done, Motor Industry Correspondent

FORD, the UK car market leader, halted the erosion in its market share in April, but its performance in the first four months of the year has been considerably weaker than those of its chief rivals, Vauxhall and Rover.

According to figures released by the Society of Motor Manufacturers and Traders, Ford captured 25.8 per cent of the

UK new car market in April, compared with 24.9 per cent a year ago.

In the first four months, its share has tumbled to only 24.4 per cent, however, compared with 27.1 per cent in the corresponding period last year. By contrast, both Vauxhall, the

UK subsidiary of General Motors of the US, and Rover, which is a subsidiary of British

Aerospace, have increased their shares of a falling market.

Vauxhall, which forecast recently that it would gain a record 17 per cent of the UK new car market this year, helped by the launch this summer of its Calibra coupe, increased its share in the first

four months to 18.6 per cent from 15.1 per cent a year ago.

Rover has finally halted its long years of retrenchment in the UK car market, helped by the success of its recently launched 200/400 series and by the Land Rover Discovery.

It has raised its share of UK new car sales in the first four months to 14.3 per cent from 12.6 per cent a year ago. Its fortunes should receive a further boost by the launch earlier this month of a substantially modernised Metro range - its best-selling car - which has been re-engineered with an investment of £200m.

Nissan, of Japan, which was also one of the main losers in the UK new car market in the first quarter, regained ground in April thanks to heavy marketing promotion, capturing 7.3 per cent compared with 6.5 per cent a year ago. In the first

four months its share fell to 5 per cent from 5.9 per cent.

Overall, UK new car sales fell by 12.7 per cent in April to 187,000, while new car registrations in the first four months fell by 8.3 per cent to 749,000.

	April		Year to date	
	1990	%	1989	%
Total market	186,913	100.00	181,276	100.00
UK produced	70,724	42.37	81,495	42.61
Imports	96,189	57.63	109,781	57.39
Ford	43,128	25.84	47,873	24.82
Vauxhall/Opel	25,221	18.11	25,238	15.29
Rover	22,888	13.59	25,228	13.19
Peugeot/Citroen	15,146	9.08	15,926	8.32
Audi/VW/Seat	9,543	5.90	11,481	6.00
Nissan	11,996	7.19	12,458	6.51
Renault	5,290	3.17	9,707	5.07
Volvo	5,218	3.13	6,843	3.68
Fiat/Alfa/Lancia	4,700	2.85	6,682	3.52

Source: Society of Motor Manufacturers and Traders

Dual-code London faces wrong number test

By Alice Rawsthorn

BRITISH TELECOM is bracing itself for a flood of misdialed telephone calls today as London returns to work after the bank holiday weekend and its new system of 071 and 081 phone numbers is put to the test.

So far the system's introduction has been relatively smooth. The codes were introduced at midnight on Saturday and on Sunday and Monday only about 4 per cent of callers forgot to use them.

The Princess of Wales dealt a blow to BT's publicity machine by admitting on television that she did not know her new number. But BT said that fewer than 2,000 people called its helpline on Sunday.

BT introduced the new system on a bank holiday weekend when the number of calls is unusually low. The system will be properly tested only this morning.

The service carries about 20m calls within London on an ordinary weekday. Another 20m calls come into the city from outside. BT has installed a recorded message to tell those who forgot to use the new numbers to redial with 071 or 081. The message can intercept up to 50,000 calls a minute, or nearly one in every three calls.

BT announced the new system in April last year. It has studied similar changes in other cities - including New York, Chicago, Los Angeles and Zurich - and has spent £10m on advertising.

The chief cause for concern is that people may have forgotten to reprogramme fax machines and automatic dialling devices such as burglar alarms. Given that calls to fax machines cannot be intercepted by recorded messages, there is a risk of people misdialling repeatedly.

BT said only three quarters of London businesses had reprogrammed their equipment by Friday evening.

To reduce the risk of overloading the recorded message system, it is allowing about half of all London callers to dial within the city without using the new numbers - up to the end of the week.

Midlands councils seek state cash to electrify rail lines

By Richard Tomkins, Transport Correspondent

LOCAL authorities in the East Midlands have joined forces to campaign for the electrification of the rail line linking London St Pancras with Leicester, Nottingham, Derby and Sheffield.

They have formed the Midland Main Line Consortium to press for a £150m government investment in the line to speed up services, make them more reliable and enable the region to have direct rail services to continental Europe when the Channel tunnel opens in 1993.

The consortium is to put its case to Mr Cecil Parkinson, Transport Secretary, in July after meeting other regional bodies and British Rail.

The line is electrified only from St Pancras to Bedford. Services to the East Midlands and Sheffield are operated by InterCity 125 diesel trains.

The county councils of Derbyshire, Leicestershire, Nottinghamshire and Northamptonshire, with Sheffield City Council, call for spending of £35m on electrification of the Bedford-to-Sheffield section, 245m on new rolling stock and £5.5m on track improvements.



Cecil Parkinson: facing pressure over rail link

They say the spending can be justified in commercial terms, meeting the Government's requirement that railway projects should deliver an 8 per cent return on capital.

BR said the Midland line was an important part of the inter-city network but it could not at present make a strong case for its electrification.

The formation of the consortium reflects the concern of Britain's regions that they are in danger of missing the communications benefits that the opening of the Channel tunnel could bring. BR is planning 15 trains a day in each direction between London and Paris and another 15 a day in each direction between London and Brussels, but few daytime return trains are planned for the rest of Britain.

On the West Coast main line, one train from Manchester to London and one from London to Manchester will join one from Wolverhampton at Rugby to form one return train a day to Paris, and a similar arrangement will give the two cities one return train a day to Brussels. On the East Coast main line, one train from Edinburgh will join one from Leeds at Peterborough to provide a daily return train to Paris, and there will be a similar daily return train to Brussels.

The consortium fears that the Midland line will stand no chance of being incorporated into the emergent European rail network until it is modernised.

FT SATELLITE MONITOR

Market seen as open to influence

By Raymond Snoddy

THE LATEST FT Satellite Monitor suggests that of those interested in installing satellite television equipment, about a third favour BSB; a third the Astra system, which broadcasts Sky; and the last third are undecided.

Those who said they wanted BSB channels totalled 34.6 per cent, compared with 31.5 per cent for Sky with 33.9 per cent making up the balance.

Mr John Clemens, chairman of Continental Research, which carried out interviews with more than 5,000 adults for the FT Monitor, warns, however, that there is no big backing of undecided homes committed to BSB as opposed to Sky/Astra.

Mr Clemens said: "The market is still open to persuasion by whichever system provides the best (or perceived best) alternative in terms of programming, reception, in-home equipment and value for money."

Satellite TV continued to make solid progress in April, with an estimated 54,000 Astra installations during the month after an apparent dip to only 10,000 new installations in March. Because the results of the 5,000-strong sample are grossed up to represent the 21m homes with television in Britain, the margin of error is plus or minus 40,000.

According to the Monitor, 196,000 dishes were installed in the first four months of this year. That brings the total number of dishes installed to just under 700,000, with about another 600,000 households watching at least some of the channels on cable TV networks.

From next month the FT Monitor will try to include an estimate for BSB, a consortium in which Pearson, publishers of the Financial Times, has a significant stake. The BSB launch has been marred by a shortage

of receiving equipment and until BSB has achieved more than 75,000 installations it is unlikely that reliable sample estimates can be obtained.

Sky's achievement in pushing the total number of dishes up to 693,000 in 15 months is considerable. However, the last three months have also been marked by a decline in those saying they will definitely or probably install satellite receivers.

In December 600,000 homes said they would definitely install satellite TV, while 3m households said they would probably install it. In April the number of people saying they would definitely get satellite television was down to 501,000, with 2.3m saying they probably would. That represents a drop of around 1m in the size of the potential market with only 5 to 6 per cent of British homes either having, or saying they intend to have, satellite TV.

EUROPE'S LEADING TECHNOLOGY FAIR.

If you're ahead of your time,
you're already thinking of
Flanders Technology
International
1991.

FLANDERS TECHNOLOGY INTERNATIONAL IS EUROPE'S NO.1 TECHNOLOGY FAIR. FOR ALL FUTURE-ORIENTATED COMPANIES IT PROVIDES THE IDEAL OPPORTUNITY TO PRESENT THEIR INNOVATIVE IDEAS, PRODUCTS AND HIGH TECHNOLOGY. THE UNIQUE HORIZONTAL FAIR STRUCTURE GIVES EQUAL SCOPE TO ALL TECHNOLOGIES, WHILE STRINGENT SELECTION CRITERIA

GUARANTEE A HIGH QUALITY OF EXHIBITORS.

EACH YEAR THE FAIR ATTRACTS MORE AND MORE INTERNATIONAL PROFESSIONAL INTEREST. THE RESULT IS THAT THE EXHIBITORS ESTABLISH MORE USEFUL CONTACTS AND ULTIMATELY CONCLUDE MORE CONTRACTS.

THE NEXT F.T.I. WILL BE HELD FROM 22ND TO 28TH APRIL 1991 INCLUSIVE AT FLANDERS EXPO IN GHENT. UNDER THE SLOGAN "TECHNOLOGY FOR A BETTER WORLD", F.T.I. INTENDS TO SHOW THAT MODERN TECHNOLOGY IS EQUIPPED TO FACE THE NEW CHALLENGES OF THE DECADE TO COME. IT IS THEREFORE TIME FOR YOU TO FIND OUT ALL ABOUT F.T.I. '91. JUST FILL IN THE REPLY FORM BELOW AND RETURN WITH YOUR BUSINESS CARD AS SOON AS POSSIBLE TO THE FLANDERS TECHNOLOGY INTERNATIONAL FOUNDATION, JOZEF II-STRAAT 30, 1040 BRUSSELS, BELGIUM; TEL.: INT'L +32 (2) 219.79.00; FAX: INT'L +32 (2) 219.49.81.



Flanders Technology International 1991.

22ND-28TH APRIL 1991 - GHENT - BELGIUM.
TECHNOLOGY FOR A BETTER WORLD

REPRESENTATIVES FOR THE UNITED KINGDOM: JOHN MARCH, 01-630 72 05 (071-630 72 05 FROM MAY 8, 1990), FOR B.R. DEUTSCHLAND, D.D.R.: SCHWITZ UND DEUTSCHLAND, CON-FAIR INTERNATIONAL, MÜNCHEN, 0811-65 33 32 (18.R. DEUTSCHLAND).

FOR DENMARK: EDVITION GYLDENFERN, 87-12 80 02, FOR FINLAND: NORWAY AND SWEDEN: EDVITION INTERNATIONAL AB, 08-782 28 30 (GÖTEBORG), FOR THE U.S.A. AND CANADA: LUC DE BRUQUENNE, 617-239 05 25 (U.S.A.), FOR JAPAN: BERNARD CATTEWILL, 05-778 05 74, FOR SINGAPORE: BEN DE SHIT, 85-487 84 21.

FT LAW REPORTS

Dismissed director cannot claim damages for lost share option

MICKLEFIELD v S. A. C. TECHNOLOGY LTD
Chancery Division (Bristol):
Mr J W Mowbray QC sitting as
a deputy High Court judge:
March 21 1990

AN EMPLOYEE who is wrongfully dismissed shortly before becoming entitled, under his contract of employment, to exercise an option to subscribe for shares in the employer's parent company, cannot sue for damages for loss of the option if the scheme under which it was granted expressly stated it should lapse if employment ceased, and expressly exempted the employer from that part of its liability for wrongful dismissal which related to loss of option rights.

Mr W J Mowbray QC, sitting as a deputy High Court judge, so held on a preliminary issue in an action by dismissed director, Mr Neil Anthony Micklefield, against his previous employer, SAC Technology Ltd. The issue was whether Mr Micklefield would be entitled to damages for loss of a share option which lapsed on his dismissal.

It was assumed for the purposes of the preliminary issue only that Mr Micklefield had been wrongfully dismissed in breach of contract.

HIS LORDSHIP said that Mr Micklefield was employed by SAC Technology, and obtained an option to subscribe for shares in its parent company.

The service agreement provided that he should serve as a director until the agreement was determined by either party giving six months' notice. The share option scheme was run by the parent company for employees in the group.

It provided that the board might "in its absolute discretion" invite executives to apply for options at the subscription price, and that the option granted should be exercisable only after the third anniversary of the date of grant.

Clause 4.3B of the scheme read: "If an option holder ceases to be employed within the group for any reason whatsoever then the option granted to him shall... lapse and not be exercisable."

Paragraph 9, headed "loss of office", provided that "by

applying for an option an executive shall be deemed irrevocably to have waived any entitlement by way of compensation for loss of office or... to any sum or other benefit to compensate him for the loss of any rights under the scheme".

On February 19 1985 Mr Micklefield was granted an option to subscribe for 5,500 A shares at 25 pence at £2.50 per share. On February 3 1988 he wrote to the directors stating that he wished to exercise his option on February 19, the third anniversary of the grant of the option.

On February 11 there was a meeting at the offices of the chairman and managing director. On February 12 he wrote to Mr Micklefield to confirm that his employment had been terminated at that meeting, with six months' pay in lieu of notice.

The parent company wrote to Mr Micklefield on February 29 after the third anniversary of grant of the option and after exercise of the option, stating that the option lapsed on termination of his employment.

For the purposes of the preliminary issue only, it was assumed that Mr Micklefield was dismissed wrongfully and in breach of contract.

The question was whether on the true construction of the contract of employment and the share option scheme, he was entitled to recover damages for loss of his option.

The first point made by Mr Cotterill for Mr Micklefield was based on *Johnson v Richmond-upon-Thames* (1982) 3 WLR 714.

In that case Lord Justice Brightman said that a wrongfully dismissed employee could only sue for damages, not salary, as the relationship of master and servant had been broken, but that "it does not follow that every right and obligation under the contract is extinguished".

It was clear from the paragraph as a whole that Lord Justice Brightman was drawing a distinction between the contract on the one hand and the status or relationship of employment on the other, and was saying that the relationship ceased.

In the option scheme paragraph 4.3B referred to the status or relationship, not to the contract. It began: "If an option

holder ceased to be employed within the group."

Mr Micklefield ceased to be employed when he was wrongfully dismissed, even if some other aspect of his contract continued in force.

The first submission failed. Mr Cotterill's second point was that the company was relying on its own wrong and seeking to take a benefit from its own wrong, contrary to some authorities.

By wrongfully dismissing Mr Micklefield a week or so before he became entitled to exercise his option, the company escaped exercise of the option and, if paragraph 9 of the scheme applied, it also escaped liability in damages for his loss.

Mr Cotterill relied on authorities which explained the principle that a man could not be permitted to take advantage of his own wrong.

One was *Alghussein Britishment v Elton College* (1989) 1 WLR 587, a House of Lords decision (which held there was a presumption that a party to a contract could not be permitted to take advantage of his own wrong, in the absence of express provision to the contrary).

Paragraph 9 was an exemption clause and differed from the kind of clause considered in the authorities. It did not purport to entitle the company to benefit from its wrong in the relevant sense. It exempted the company from that part of the damages that it would otherwise have had to pay for wrongful dismissal, referable to loss of option rights.

If that were wrong, the principle that a man could not be permitted to take advantage of his own wrong, was subject to exception.

In *Alghussein Lord Justice Brightman* said that "in general the principle is embodied in a rule of construction rather than an absolute rule of law".

If the rule was only one of construction, it could be excluded by a sufficiently clear contrary provision in the contract.

In *Cheall v APFCS* (1988) 2 AC 180 Lord Diplock referred to "the well-known rule of construction that, except in the unlikely case that the contract contained clear express provisions to the contrary, it is to be presumed that there was not

the intention... that either party should be entitled to rely on his own breaches of his primary obligations as bringing the contract to an end."

Paragraph 9 was clear and decisive enough to exclude the principle as well as to operate as an exemption clause.

It expressly applied if an option holder ceased to be an executive for any reason. That included his being wrongfully dismissed.

The clause was intended and was sufficient to enable the company to escape part of its liability.

The final point was under the Unfair Contract Terms Act 1977.

Section 3, which applied between contracting parties where one dealt as a customer on the other's written standard terms of business, prevented that other from excluding or restricting his own liability for breach of contract.

The court assumed that section 3 would apply in the present case, were it not for Schedule 1 to the Act.

Paragraph 1 of Schedule 1 provided that sections 1 to 4 did not extend to "... (a) any contract so far as it related to the creation or transfer of securities".

Mr Cotterill argued that the present contract was a contract of employment, not a contract for creation or transfer of securities.

Paragraph 1(e) was not worded so as to apply merely to contracts for the creation or transfer of securities. It was worded to apply to any contract so far as it related to the creation or transfer of securities.

So far as Mr Micklefield's contract of employment related to his option to acquire shares, it was excluded from the Act by paragraph 1(e) of the Schedule.

Accordingly, on the assumption that Mr Micklefield was dismissed wrongfully and in breach of contract, he was none the less not entitled to recover damages for loss of his option.

For Mr Micklefield: Malcolm Cotterill (Trump & Partners, Bristol)
For the company: Michael Brindle (Freshfields)

Rachel Davies
Barrister

MANUFACTURING STRATEGIES FOR THE 90s

23 & 24 May, 1990 - Birmingham

Speakers include:

Sir Robin Nicholson
Pilkington plcMr Gerald Boxall
Vickers Defence SystemsProfessor Terry Hill
London Business SchoolDr Gerald Avison
The Technology Partnership LimitedMr Bernhard Wild
Braun AGMr David Kynaston
Philips Components LimitedMr Peter Wickens
Nissan Motor Manufacturing (UK) LimitedMiss Sue Lyons
Rolls-Royce plcDr Peter Laurence
GTE Sylvania SAMr John McClelland
IBM United Kingdom LimitedMr Peter Anstiss
British Aerospace (Military Aircraft) LtdMr Norman Price
Triplex Lloyd plcM. Pierre Gosselin
Thomson CSFMr James Bentley
Centre for Manufacturing
Consultancy

KPMG Peat Marwick McLintock

Arranged in association with
KPMG Peat Marwick McLintock

FT

For information please return this advertisement, together with your business card, to:

Financial Times
Conference Organisation

126 Jermyn Street, London SW1Y 4JW

Alternatively,
Telephone 01-625 2252

Telex 27347 FT CONF G Fax 01-625 2125

Quality PROMOTIONAL GIFTS

Send this advertisement
attached to your
company letterhead
for a FREE DESIGN
incorporating
your logo.

• Key Rings
• Cuff Links
• Paperweights • Enamel Badges

Manufactured by

Manhattan Windsor

STEWART STREET, BIRMINGHAM, B15 7AF, England.
Fax: 021-454 1497.
Contractors to H.M. Government.

LEGAL NOTICES

IN THE MATTER OF
TENBY INDUSTRIES LTD
- and -
IN THE MATTER OF
THE COMPANIES ACT 1985

NOTICE IS HEREBY GIVEN that a Petition was on the 22nd day of March 1990 presented to Her Majesty's High Court of Justice for the confirmation of the reduction of the capital of the company from £14,000.00 to £2,100.00.

A NOTICE IS FURTHER GIVEN that the said Petition is directed to be heard before the Honorable Mr Justice Vintcent at the Royal Courts of Justice, Strand, London WC2A 2LL, on Monday 14th May 1990.

Any creditor or shareholder of the said Company desiring to oppose the making of an Order for the Confirmation of the said reduction of capital should appear at the time of hearing in person or by Counsel for that purpose.

A copy of the said Petition will be furnished to any such person requiring the same by the undersigned solicitors on payment of the regulated charge for the same.

Dated this 30th day of May 1989

Habero Matheson, 35 Strand Street,
London WC1X 8PL, Tel: 04746
Solicitors for the Petitioning Company.

CONTRACTS & TENDERS

HAMPSHIRE POLICE
AUTHORITY
INVITATION TO
TENDER

Tenders will be invited in June 1990, for the operational leasing of a range of vehicles to include motor cars, motor cycles and light commercial vehicles. These motor vehicles will be used in the performance of policing duties.

Firms interested should apply not later than 31st May 1990, to Transport Manager, Bar End Road, Winchester, SO22 6NP, Telephone Winchester (0862) 58133 Extension 1478 for further information.

RENTALS

KNIGHTSBRIDGE
APARTMENTS

Fully equipped and maintained. Beside Harrods - Short/long term lets, Breakdown Terms Home, Phone (07) 223 7159/581 4463 For colour brochures.

ART GALLERIES

LEGER: BRITISH
LANDSCAPE
PAINTING

including Gainsborough and Turner.
13 Old Bond St., W1, Mon.-Fri. 9.30-5.30, until 25 May.

INTERNATIONAL
RESIDENTIAL PROPERTY
ADVERTISING

Appears every Saturday.

For further details please contact;
071 873 4915 Fax 071 873 3063

The way you
get your goods
to market
may be
hurting your
cash flow.

In today's competitive environment, even shipments that arrive on time can be slowing down your revenues. That's because unnecessary man hours invested in coordinating and managing the transport process is time depleted from your core business.

Ensuring your reputation

At Nedlloyd, we believe companies should do what they are best at. If your business is producing goods and selling them to your customers, ours is taking total respon-

sibility for the care of your consignments. Be it home electronics, hazardous liquids or haute couture fashion. And we have what it takes to do it.

The logistic link to your customers

With more than 160 years experience in shipping, we have become a leader in integrated logistic services for general and specialized cargo. Our clients are importers and exporters from all over the world who rely on some 25,000 Nedlloyd employees to look after

transit times, storage conditions, physical distribution, custom regulations and every delivery specification. A cost-effective approach which we call Nedlloyd Flowmasters.

Make the sensible move

You'll find us more than capable to tailor logistic systems - complete with services such as packing, sorting, storage, labeling,

pricing and even invoicing for delivery - to meet your specific needs.

For more information, contact the Royal Nedlloyd Group N.V., Corporate Logistics, Boompjes 40, 3011 XB Rotterdam, The Netherlands. Telephone: (3110) 400 69 94, Telefax: (3110) 404 65 45.

Some do transport, we do more. Nedlloyd

TO HOLDERS OF INTERFIRST TEXAS FINANCE N.V.

Guaranteed Floating Rate Notes Due May 1989
(Unconditionally guaranteed as to payment of principal and interest
by IFRB Corporation, successor to InterFirst Corporation)
CUSIP No. 458924 AA 5

MORGAN GUARANTY TRUST COMPANY OF NEW YORK, as Trustee ("Trustee") under the
below-mentioned indenture provides the following to holders of the above described Notes:

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE NORTHERN DISTRICT OF TEXAS
DALLAS DIVISION

In re
INTERFIRST TEXAS FINANCE N.V.,
Debtor.

Case No. 389-34612-SAF-11
(Chapter 11)

NOTICE OF FILING AND HEARING ON DISCLOSURE STATEMENT

PLEASE TAKE NOTICE that on April 12, 1990, InterFirst Texas Finance N.V. ("Texas Finance") and its Official Unsecured Creditors Committee ("Committee") jointly proposed and filed a Plan of Reorganization ("Plan") for Texas Finance and a related Disclosure Statement ("Disclosure Statement").

PLEASE TAKE FURTHER NOTICE that a hearing to consider approval of the Disclosure Statement has been set for May 29, 1990 at 1:30 p.m. Central Daylight Time before the Honorable Steven A. Felsenthal, Room 15-C-22 at 1100 Commerce Street, Dallas, Texas. Such hearing may be adjourned from time to time without further notice to creditors or other parties in interest other than by an announcement of such adjournment on the date scheduled for the hearing. Objections to the Disclosure Statement must be in writing, filed with the Clerk of the Bankruptcy Court, 1100 Commerce Street, Dallas, Texas, 75201 and served on counsel for Texas Finance, Michael A. Rosenthal, Gibson, Dunn & Crutcher, 1717 Main Street, Suite 5400, Dallas, Texas 75201-4605, and counsel for the Committee, Henry L. Comp, Jones, Day, Reavis & Pogue, 2300 Trammell Crow Center, 2001 Ross Avenue, Dallas, Texas 75201 no later than 4:00 p.m. Central Daylight Time on May 25, 1990. If no objections are filed, the Bankruptcy Court may deem the Disclosure Statement to be unopposed and may approve it.

A copy of the Disclosure Statement is on file with the Bankruptcy Court and may be examined by interested parties at the Bankruptcy Court during its regular business hours. Copies of the Disclosure Statement and the Plan may be obtained on written request directed to: Michael A. Rosenthal, Gibson, Dunn & Crutcher, 1717 Main Street, Suite 5400, Dallas, Texas 75201-4605.

PLEASE TAKE FURTHER NOTICE that, if you are a holder of Texas Finance Guaranteed Floating Rate Notes due May, 1989 ("Notes"), issued pursuant to that certain Indenture dated as of May 10, 1984, as supplemented by and among Texas Finance, InterFirst Corporation (predecessor to IFRB Corporation as Guarantor) and Morgan Guaranty Trust Company of New York, as Trustee ("Trustee"), and you have not previously identified yourself to the Trustee, you should immediately do so in order that you may directly receive future material relating to the Notes. The Trustee may be contacted at the following address:

MORGAN GUARANTY TRUST COMPANY OF NEW YORK, as Trustee

Corporate Trust Administration
30 West Broadway, New York, NY 10015
Attention: Mr. Patrick J. Crowley, Vice President
(212) 567-6027
Fax (212) 695-0534

By InterFirst Texas Finance N.V.
Debtor in Possession

Dated: April 30, 1990

NOTICE TO THE HOLDERS OF BONDS OF THE ISSUE 9% 1977/1989 OF US\$ 80,000,000 MADE BY THE EUROPEAN COAL AND STEEL COMMUNITY

The Commission of the European Communities announces that the annual instalment of bonds amounting to US\$ 1,780,000, has been purchased for redemption on June 15, 1990.

Outstanding Amount after June 15, 1990:
US\$ 77,220,000.

BANQUE PARIBAS LUXEMBOURG
Société Anonyme

MOTOR CAR ADVERTISING appears every Saturday WEEKEND FT.

REACH THE RIGHT
READERS
by advertising now

Telephone
James Burton 071-873
3218

Europe-Brazil altogether 26 flights per week.

FROM	TO	Days
AMSTERDAM	London	Tue, Sat
BARCELONA	London	Thurs, Fri, Sat, Sun
COPENHAGEN	London	Fri, Sat, Sun
FRANKFURT	London	Tues, Wed, Fri, Sat, Sun
LISBON	London	Mon, Tues, Thurs, Sat
LONDON	London	Wed, Fri, Sun
MADRID	London	Mon, Thurs, Fri, Sat, Sun
MILAN	London	Tues, Thurs, Sat
OPORTO	London	Mon, Tues, Thurs, Sat
PARIS	London	Mon, Wed, Thurs, Fri, Sat, Sun
ROME	London	Tues, Thurs, Sat
ZURICH	London	Mon, Fri, Sat

Effective March 25, 1990
This timetable (01/90) is subject to alteration.
(*) Surveys made by "Executive Travel" magazine,
London, 1986, 1987, 1988 and 1989.

Varig is the airline that offers you the most alternatives in departure times and flights between Europe and Brazil - 26 in all. On all of these 26 weekly flights, passengers will be able

Time to
fly
VARIG

PARLIAMENTARY

Today
Commons: Progress on Broadcasting Bill.
Lords: National Health Service and Community Care Bill, Committee. Motor Trade (Consumer Protection) Bill, Committee.
Select Committee: Televising of Commons Proceedings - subject, review of televising experiment. Witnesses: Prof. Jay Blumler and Dr. Bob Franklin, Univ. of Leeds; and Rt Hon. Terence Higgins MP (Rm 8, Sptn).

Tomorrow
Commons: Progress on Broadcasting Bill. Motion on Changes in Immigration Rules. Lords: Debate on National Environment Waste Policy. Debate on Developments in Complementary Medicine and Conventional Treatment. Question to Government on Depletion of Peat Resources.
Select Committee: Foreign Affairs - subject, Foreign Office expenditure 1989-91. Witnesses: Overseas Development Agency officials (Rm 18, 10.30am).
Welsh Affairs - subject, Starter Homes in Wales. Trade and Industry - subject, Trade with EFTA. Witnesses: Mr. Per Jodal, Swedish Embassy, Mr. Harley Atherton, Director of Target Finland (Rm 15, 10.45 am).
Defence - subject, Implications for UK Defence Policy of Recent Events in Europe. Witnesses: Jane Sharp, Stockholm International Peace Research Institute, and Mary Kaldor, Sussex University.
Energy - subject, energy efficiency. Witnesses: Dr. E. G. Finner, Director General of the Energy Efficiency Office, plus officials. (Rm 8, 11am).
Education and Science - subject, Annual Report of H.M. Senior Chief Inspector of Schools. Witnesses: Rt Hon. John MacGregor, MP, Education Secretary, and Officials (Grand Com Rm, Westminster Hall, 4.15 pm).

Thursday
Commons: Completion of Broadcasting Bill. Motion on EC document relating to general product safety. Opposed private business from 7pm.
Lords: National Health Service and Community Care Bill, Committee. European Parliament (Electoral Reform) Bill, Report.
Committee on Private Bill - Cardiff Bay Barrage.

Friday
Commons: Private Members' Bills.

FINANCIAL

Yesterday
DIVIDEND AND INTEREST PAYMENTS:
BP 4.80p
Concorde 5 1/2% 2005 4.80p
Current Foods 2p
Treasury 10 1/2% 1992 4.25p
Woolworth 10p 7 1/2p

Today
COMPANY MEETINGS:
Bayer (Chairman), 9.30am, 100, Strand, London, W.C.2R.
Bentley, 10.30am, 100, Strand, London, W.C.2R.
Dunlop & Macdonald, 10.30am, 100, Strand, London, W.C.2R.
Fairway, 10.30am, 100, Strand, London, W.C.2R.
Haworth, 10.30am, 100, Strand, London, W.C.2R.
Hillier, 10.30am, 100, Strand, London, W.C.2R.
Hillier, 10.30am, 100, Strand, London, W.C.2R.
Hillier, 10.30am, 100, Strand, London, W.C.2R.

Tomorrow
DIVIDEND AND INTEREST PAYMENTS:
BP 4.80p
Concorde 5 1/2% 2005 4.80p
Current Foods 2p
Treasury 10 1/2% 1992 4.25p
Woolworth 10p 7 1/2p

Today
COMPANY MEETINGS:
Bayer (Chairman), 9.30am, 100, Strand, London, W.C.2R.
Bentley, 10.30am, 100, Strand, London, W.C.2R.
Dunlop & Macdonald, 10.30am, 100, Strand, London, W.C.2R.
Fairway, 10.30am, 100, Strand, London, W.C.2R.
Haworth, 10.30am, 100, Strand, London, W.C.2R.
Hillier, 10.30am, 100, Strand, London, W.C.2R.
Hillier, 10.30am, 100, Strand, London, W.C.2R.
Hillier, 10.30am, 100, Strand, London, W.C.2R.

Tomorrow
DIVIDEND AND INTEREST PAYMENTS:
BP 4.80p
Concorde 5 1/2% 2005 4.80p
Current Foods 2p
Treasury 10 1/2% 1992 4.25p
Woolworth 10p 7 1/2p

Today
COMPANY MEETINGS:
Bayer (Chairman), 9.30am, 100, Strand, London, W.C.2R.
Bentley, 10.30am, 100, Strand, London, W.C.2R.
Dunlop & Macdonald, 10.30am, 100, Strand, London, W.C.2R.
Fairway, 10.30am, 100, Strand, London, W.C.2R.
Haworth, 10.30am, 100, Strand, London, W.C.2R.
Hillier, 10.30am, 100, Strand, London, W.C.2R.
Hillier, 10.30am, 100, Strand, London, W.C.2R.
Hillier, 10.30am, 100, Strand, London, W.C.2R.

Tomorrow
DIVIDEND AND INTEREST PAYMENTS:
BP 4.80p
Concorde 5 1/2% 2005 4.80p
Current Foods 2p
Treasury 10 1/2% 1992 4.25p
Woolworth 10p 7 1/2p

Today
COMPANY MEETINGS:
Bayer (Chairman), 9.30am, 100, Strand, London, W.C.2R.
Bentley, 10.30am, 100, Strand, London, W.C.2R.
Dunlop & Macdonald, 10.30am, 100, Strand, London, W.C.2R.
Fairway, 10.30am, 100, Strand, London, W.C.2R.
Haworth, 10.30am, 100, Strand, London, W.C.2R.
Hillier, 10.30am, 100, Strand, London, W.C.2R.
Hillier, 10.30am, 100, Strand, London, W.C.2R.
Hillier, 10.30am, 100, Strand, London, W.C.2R.

Tomorrow
DIVIDEND AND INTEREST PAYMENTS:
BP 4.80p
Concorde 5 1/2% 2005 4.80p
Current Foods 2p
Treasury 10 1/2% 1992 4.25p
Woolworth 10p 7 1/2p

Today
COMPANY MEETINGS:
Bayer (Chairman), 9.30am, 100, Strand, London, W.C.2R.
Bentley, 10.30am, 100, Strand, London, W.C.2R.
Dunlop & Macdonald, 10.30am, 100, Strand, London, W.C.2R.
Fairway, 10.30am, 100, Strand, London, W.C.2R.
Haworth, 10.30am, 100, Strand, London, W.C.2R.
Hillier, 10.30am, 100, Strand, London, W.C.2R.
Hillier, 10.30am, 100, Strand, London, W.C.2R.
Hillier, 10.30am, 100, Strand, London, W.C.2R.

Tomorrow
DIVIDEND AND INTEREST PAYMENTS:
BP 4.80p
Concorde 5 1/2% 2005 4.80p
Current Foods 2p
Treasury 10 1/2% 1992 4.25p
Woolworth 10p 7 1/2p

Today
COMPANY MEETINGS:
Bayer (Chairman), 9.30am, 100, Strand, London, W.C.2R.
Bentley, 10.30am, 100, Strand, London, W.C.2R.
Dunlop & Macdonald, 10.30am, 100, Strand, London, W.C.2R.
Fairway, 10.30am, 100, Strand, London, W.C.2R.
Haworth, 10.30am, 100, Strand, London, W.C.2R.
Hillier, 10.30am, 100, Strand, London, W.C.2R.
Hillier, 10.30am, 100, Strand, London, W.C.2R.
Hillier, 10.30am, 100, Strand, London, W.C.2R.

Tomorrow
DIVIDEND AND INTEREST PAYMENTS:
BP 4.80p
Concorde 5 1/2% 2005 4.80p
Current Foods 2p
Treasury 10 1/2% 1992 4.25p
Woolworth 10p 7 1/2p

Today
COMPANY MEETINGS:
Bayer (Chairman), 9.30am, 100, Strand, London, W.C.2R.
Bentley, 10.30am, 100, Strand, London, W.C.2R.
Dunlop & Macdonald, 10.30am, 100, Strand, London, W.C.2R.
Fairway, 10.30am, 100, Strand, London, W.C.2R.
Haworth, 10.30am, 100, Strand, London, W.C.2R.
Hillier, 10.30am, 100, Strand, London, W.C.2R.
Hillier, 10.30am, 100, Strand, London, W.C.2R.
Hillier, 10.30am, 100, Strand, London, W.C.2R.

Tomorrow
DIVIDEND AND INTEREST PAYMENTS:
BP 4.80p
Concorde 5 1/2% 2005 4.80p
Current Foods 2p
Treasury 10 1/2% 1992 4.25p
Woolworth 10p 7 1/2p

DIARY DATES

Current
International Philatelic Exhibition - STAMPWORLD LONDON (01-251 5040) (until May 13)
Alexandra Palace, London
May 11-13
Spring National Franchise Exhibition (01-727 1929)
Olympia
May 15-17
Interior Design International Exhibition (01-858 4490)
Earls Court
May 15-17
International Fresh Produce Fair & International Chilled Food Fair (01-727 1929)
NEC, Birmingham
May 16-17
Overseas exhibitions

Current
Hanover Fair - INDUSTRY (01-688 8641) (until May 9)
Hanover
May 4-6
International Woodworking Machinery Trade Fair - DREMA (0223 238852)
Poznan
May 7-15
International Consumer Goods Fair (01-856 8219)
Flovdv
May 15-18
International Lighting, Equipment, Fixtures, Fittings & Business and management conferences

Current
ESOMAR: Countdown to 1992: Which issues at stake? Which strategies in the Single Market? Which needs in research and consultancy? (Amsterdam +31-20-494-2141)
Brussels
May 15-16
Giles Communications Inc. International Privatization Congress (Canada) (306) 347-7770
Buckingham
May 14-15
Insurance and Reinsurance Research Group: Reinsurance accounting (01-336 2176)
Kensington Hotel, London
May 14-15
Acquisitions Monthly: Strategies for buying and selling unquoted companies - a practical approach (01-825 8740)
Le Meridien Hotel, London
May 15-18
Enterprise Events: Finance 90 - New directions for challenging times (01-440 2344)
Olympia 2
May 18
IBC Technical Services: Environmental economics (01-236 4080)
Fortman Inter-Continental, London
May 21-23
Financial Times Conference: The Seventh European and Petroleum Gas Conference (01-225 2233)
Amsterdam
May 21-23
Financial Times Conference: CBI Conferences/DTI: UK and International aid for Eastern Europe - what you need to know (01-579 7400)
Centre Point, London
May 21-23
Financial Times Conference: The publishing industry in the 90s (01-225 2233)
Hotel Inter-Continental, London

Current
ESOMAR: Countdown to 1992: Which issues at stake? Which strategies in the Single Market? Which needs in research and consultancy? (Amsterdam +31-20-494-2141)
Brussels
May 15-16
Giles Communications Inc. International Privatization Congress (Canada) (306) 347-7770
Buckingham
May 14-15
Insurance and Reinsurance Research Group: Reinsurance accounting (01-336 2176)
Kensington Hotel, London
May 14-15
Acquisitions Monthly: Strategies for buying and selling unquoted companies - a practical approach (01-825 8740)
Le Meridien Hotel, London
May 15-18
Enterprise Events: Finance 90 - New directions for challenging times (01-440 2344)
Olympia 2
May 18
IBC Technical Services: Environmental economics (01-236 4080)
Fortman Inter-Continental, London
May 21-23
Financial Times Conference: The Seventh European and Petroleum Gas Conference (01-225 2233)
Amsterdam
May 21-23
Financial Times Conference: CBI Conferences/DTI: UK and International aid for Eastern Europe - what you need to know (01-579 7400)
Centre Point, London
May 21-23
Financial Times Conference: The publishing industry in the 90s (01-225 2233)
Hotel Inter-Continental, London

Current
ESOMAR: Countdown to 1992: Which issues at stake? Which strategies in the Single Market? Which needs in research and consultancy? (Amsterdam +31-20-494-2141)
Brussels
May 15-16
Giles Communications Inc. International Privatization Congress (Canada) (306) 347-7770
Buckingham
May 14-15
Insurance and Reinsurance Research Group: Reinsurance accounting (01-336 2176)
Kensington Hotel, London
May 14-15
Acquisitions Monthly: Strategies for buying and selling unquoted companies - a practical approach (01-825 8740)
Le Meridien Hotel, London
May 15-18
Enterprise Events: Finance 90 - New directions for challenging times (01-440 2344)
Olympia 2
May 18
IBC Technical Services: Environmental economics (01-236 4080)
Fortman Inter-Continental, London
May 21-23
Financial Times Conference: The Seventh European and Petroleum Gas Conference (01-225 2233)
Amsterdam
May 21-23
Financial Times Conference: CBI Conferences/DTI: UK and International aid for Eastern Europe - what you need to know (01-579 7400)
Centre Point, London
May 21-23
Financial Times Conference: The publishing industry in the 90s (01-225 2233)
Hotel Inter-Continental, London

Current
ESOMAR: Countdown to 1992: Which issues at stake? Which strategies in the Single Market? Which needs in research and consultancy? (Amsterdam +31-20-494-2141)
Brussels
May 15-16
Giles Communications Inc. International Privatization Congress (Canada) (306) 347-7770
Buckingham
May 14-15
Insurance and Reinsurance Research Group: Reinsurance accounting (01-336 2176)
Kensington Hotel, London
May 14-15
Acquisitions Monthly: Strategies for buying and selling unquoted companies - a practical approach (01-825 8740)
Le Meridien Hotel, London
May 15-18
Enterprise Events: Finance 90 - New directions for challenging times (01-440 2344)
Olympia 2
May 18
IBC Technical Services: Environmental economics (01-236 4080)
Fortman Inter-Continental, London
May 21-23
Financial Times Conference: The Seventh European and Petroleum Gas Conference (01-225 2233)
Amsterdam
May 21-23
Financial Times Conference: CBI Conferences/DTI: UK and International aid for Eastern Europe - what you need to know (01-579 7400)
Centre Point, London
May 21-23
Financial Times Conference: The publishing industry in the 90s (01-225 2233)
Hotel Inter-Continental, London

Current
ESOMAR: Countdown to 1992: Which issues at stake? Which strategies in the Single Market? Which needs in research and consultancy? (Amsterdam +31-20-494-2141)
Brussels
May 15-16
Giles Communications Inc. International Privatization Congress (Canada) (306) 347-7770
Buckingham
May 14-15
Insurance and Reinsurance Research Group: Reinsurance accounting (01-336 2176)
Kensington Hotel, London
May 14-15
Acquisitions Monthly: Strategies for buying and selling unquoted companies - a practical approach (01-825 8740)
Le Meridien Hotel, London
May 15-18
Enterprise Events: Finance 90 - New directions for challenging times (01-440 2344)
Olympia 2
May 18
IBC Technical Services: Environmental economics (01-236 4080)
Fortman Inter-Continental, London
May 21-23
Financial Times Conference: The Seventh European and Petroleum Gas Conference (01-225 2233)
Amsterdam
May 21-23
Financial Times Conference: CBI Conferences/DTI: UK and International aid for Eastern Europe - what you need to know (01-579 7400)
Centre Point, London
May 21-23
Financial Times Conference: The publishing industry in the 90s (01-225 2233)
Hotel Inter-Continental, London

Current
ESOMAR: Countdown to 1992: Which issues at stake? Which strategies in the Single Market? Which needs in research and consultancy? (Amsterdam +31-20-494-2141)
Brussels
May 15-16
Giles Communications Inc. International Privatization Congress (Canada) (306) 347-7770
Buckingham
May 14-15
Insurance and Reinsurance Research Group: Reinsurance accounting (01-336 2176)
Kensington Hotel, London
May 14-15
Acquisitions Monthly: Strategies for buying and selling unquoted companies - a practical approach (01-825 8740)
Le Meridien Hotel, London
May 15-18
Enterprise Events: Finance 90 - New directions for challenging times (01-440 2344)
Olympia 2
May 18
IBC Technical Services: Environmental economics (01-236 4080)
Fortman Inter-Continental, London
May 21-23
Financial Times Conference: The Seventh European and Petroleum Gas Conference (01-225 2233)
Amsterdam
May 21-23
Financial Times Conference: CBI Conferences/DTI: UK and International aid for Eastern Europe - what you need to know (01-579 7400)
Centre Point, London
May 21-23
Financial Times Conference: The publishing industry in the 90s (01-225 2233)
Hotel Inter-Continental, London

Current
ESOMAR: Countdown to 1992: Which issues at stake? Which strategies in the Single Market? Which needs in research and consultancy? (Amsterdam +31-20-494-2141)
Brussels
May 15-16
Giles Communications Inc. International Privatization Congress (Canada) (306) 347-7770
Buckingham
May 14-15
Insurance and Reinsurance Research Group: Reinsurance accounting (01-336 2176)
Kensington Hotel, London
May 14-15
Acquisitions Monthly: Strategies for buying and selling unquoted companies - a practical approach (01-825 8740)
Le Meridien Hotel, London
May 15-18
Enterprise Events: Finance 90 - New directions for challenging times (01-440 2344)
Olympia 2
May 18
IBC Technical Services: Environmental economics (01-236 4080)
Fortman Inter-Continental, London
May 21-23
Financial Times Conference: The Seventh European and Petroleum Gas Conference (01-225 2233)
Amsterdam
May 21-23
Financial Times Conference: CBI Conferences/DTI: UK and International aid for Eastern Europe - what you need to know (01-579 7400)
Centre Point, London
May 21-23
Financial Times Conference: The publishing industry in the 90s (01-225 2233)
Hotel Inter-Continental, London

Current
ESOMAR: Countdown to 1992: Which issues at stake? Which strategies in the Single Market? Which needs in research and consultancy? (Amsterdam +31-20-494-2141)
Brussels
May 15-16
Giles Communications Inc. International Privatization Congress (Canada) (306) 347-7770
Buckingham
May 14-15
Insurance and Reinsurance Research Group: Reinsurance accounting (01-336 2176)
Kensington Hotel, London
May 14-15
Acquisitions Monthly: Strategies for buying and selling unquoted companies - a practical approach (01-825 8740)
Le Meridien Hotel, London
May 15-18
Enterprise Events: Finance 90 - New directions for challenging times (01-440 2344)
Olympia 2
May 18
IBC Technical Services: Environmental economics (01-236 4080)
Fortman Inter-Continental, London
May 21-23
Financial Times Conference: The Seventh European and Petroleum Gas Conference (01-225 2233)
Amsterdam
May 21-23
Financial Times Conference: CBI Conferences/DTI: UK and International aid for Eastern Europe - what you need to know (01-579 7400)
Centre Point, London
May 21-23
Financial Times Conference: The publishing industry in the 90s (01-225 2233)
Hotel Inter-Continental, London

Current
ESOMAR: Countdown to 1992: Which issues at stake? Which strategies in the Single Market? Which needs in research and consultancy? (Amsterdam +31-20-494-2141)
Brussels
May 15-16
Giles Communications Inc. International Privatization Congress (Canada) (306) 347-7770
Buckingham
May 14-15
Insurance and Reinsurance Research Group: Reinsurance accounting (01-336 2176)
Kensington Hotel, London
May 14-15
Acquisitions Monthly: Strategies for buying and selling unquoted companies - a practical approach (01-825 8740)
Le Meridien Hotel, London
May 15-18
Enterprise Events: Finance 90 - New directions for challenging times (01-440 2344)
Olympia 2
May 18
IBC Technical Services: Environmental economics (01-236 4080)
Fortman Inter-Continental, London
May 21-23
Financial Times Conference: The Seventh European and Petroleum Gas Conference (01-225 2233)
Amsterdam
May 21-23
Financial Times Conference: CBI Conferences/DTI: UK and International aid for Eastern Europe - what you need to know (01-579 7400)
Centre Point, London
May 21-23
Financial Times Conference: The publishing industry in the 90s (01-225 2233)
Hotel Inter-Continental, London

Current
ESOMAR: Countdown to 1992: Which issues at stake? Which strategies in the Single Market? Which needs in research and consultancy? (Amsterdam +31-20-494-2141)
Brussels
May 15-16
Giles Communications Inc. International Privatization Congress (Canada) (306) 347-7770
Buckingham
May 14-15
Insurance and Reinsurance Research Group: Reinsurance accounting (01-336 2176)
Kensington Hotel, London
May 14-15
Acquisitions Monthly: Strategies for buying and selling unquoted companies - a practical approach (01-825 8740)
Le Meridien Hotel, London
May 15-18
Enterprise Events: Finance 90 - New directions for challenging times (01-440 2344)
Olympia 2
May 18
IBC Technical Services: Environmental economics (01-236 4080)
Fortman Inter-Continental, London
May 21-23
Financial Times Conference: The Seventh European and Petroleum Gas Conference (01-225 2233)
Amsterdam
May 21-23
Financial Times Conference: CBI Conferences/DTI: UK and International aid for Eastern Europe - what you need to know (01-579 7400)
Centre Point, London
May 21-23
Financial Times Conference: The publishing industry in the 90s (01-225 2233)
Hotel Inter-Continental, London

Current
ESOMAR: Countdown to 1992: Which issues at stake? Which strategies in the Single Market? Which needs in research and consultancy? (Amsterdam +31-20-494-2141)
Brussels
May 15-16
Giles Communications Inc. International Privatization Congress (Canada) (306) 347-7770
Buckingham
May 14-15
Insurance and Reinsurance Research Group: Reinsurance accounting (01-336 2176)
Kensington Hotel, London
May 14-15
Acquisitions Monthly: Strategies for buying and selling unquoted companies - a practical approach (01-825 8740)
Le Meridien Hotel, London
May 15-18
Enterprise Events: Finance 90 - New directions for challenging times (01-440 2344)
Olympia 2
May 18
IBC Technical Services: Environmental economics (01-236 4080)
Fortman Inter-Continental, London
May 21-23
Financial Times Conference: The Seventh European and Petroleum Gas Conference (01-225 2233)
Amsterdam
May 21-23
Financial Times Conference: CBI Conferences/DTI: UK and International aid for Eastern Europe - what you need to know (01-579 7400)
Centre Point, London
May 21-23
Financial Times Conference: The publishing industry in the 90s (01-225 2233)
Hotel Inter-Continental, London

Current
ESOMAR: Countdown to 1992: Which issues at stake? Which strategies in the Single Market? Which needs in research and consultancy? (Amsterdam +31-20-494-2141)
Brussels
May 15-16
Giles Communications Inc. International Privatization Congress (Canada) (306) 347-7770
Buckingham
May 14-15
Insurance and Reinsurance Research Group: Reinsurance accounting (01-336 2176)
Kensington Hotel, London
May 14-15
Acquisitions Monthly: Strategies for buying and selling unquoted companies - a practical approach (01-825 8740)
Le Meridien Hotel, London
May 15-18
Enterprise Events: Finance 90 - New directions for challenging times (01-440 2344)
Olympia 2
May 18
IBC Technical Services: Environmental economics (01-236 4080)
Fortman Inter-Continental, London
May 21-23
Financial Times Conference: The Seventh European and Petroleum Gas Conference (01-225 2233)
Amsterdam
May 21-23
Financial Times Conference: CBI Conferences/DTI: UK and International aid for Eastern Europe - what you need to know (01-579 7400)
Centre Point, London
May 21-23
Financial Times Conference: The publishing industry in the 90s (01-225 2233)
Hotel Inter-Continental, London

MANAGEMENT

LBS entrepreneurs' course

Testing times for staff, systems and stamina

Charles Batchelor attends a students' reunion two years on

"Business is murder and clients are my angels. The past year has been traumatic. We expected some problems but not to this extent."

"It has been problems at every stage - getting from suppliers what we had ordered, finding good staff. I was falling out of love with the furniture market."

These comments illustrate the past 12 months have been difficult for one group of two-year-old businesses. The remarks were made at a reunion meeting last week of participants in a six-month business training course in small business management skills held at London Business School between October 1987 and April 1989.

There appears to be little doubt that year two has proved a testing time for several of the course participants. Long working weeks; the absence in some instances of a business partner with whom to discuss problems; and a shortage of finance have taken their toll.

"These companies are still coping with the problems of start-up," comments Ian Carmichael, one of the course tutors. "They are still at the stage of making mistakes and they are trading in an economy which is less buoyant than it was three years ago."

Rosey Harding and her two partners in Sandy Harding Midfield, a public relations consultancy, spent their first year clocking up all the chargeable hours they could. In their second year, she concedes, they lost some of their enthusiasm for working all available hours and were also side-tracked by issues such as arranging pensions, insurance and a profit-sharing scheme.

Carole Thomas, who has a design consultancy, says she is running out of the physical and mental energy needed to work a 12-hour day. Thomas had originally set up in business with a partner and she feels the lack of someone with whom to discuss her problems.

The loneliness of the new business owner was also felt by David Lane when he set up the Professional Development

Association, a not-for-profit organisation providing staff development programmes. Lane's intended partners were reluctant to join him until the business had become established, from three to six months later. "The first months were a nightmare," says Lane. "It's quite a relief to have the benefit of a team."

One of the main problems which these young businesses have had to confront has been finding and employing staff. Tony Dumford complains that when he can find good staff for his Beasdale, Buckinghamshire-based typesetting company, they tend to move on quickly to other jobs.

Tony Bewick, founder of the Trewora Activity Centre in Cornwall, has devised a thick instruction manual for his employees but confesses there is little he can do to train people who subsequently appear to be totally lacking in common sense.

Small businesses require people who can be flexible, do a variety of jobs and be willing to take responsibility, notes Carole Thomas. Unfortunately many job applicants want a job which is tightly defined and for which they will not have to take any responsibility.

Several of the entrepreneurs have been giving careful thought as to how they control their businesses. Rosey Harding and her partners pay £2,000 a year to accountants to prepare their monthly accounts. This prompts suggestions from some of the other course members that she could do the job much more cheaply using one of the standard accounting software programmes. "Businesses which make the breakthrough have learned to master computers," comments Catherine Gilling, director of enterprise programmes at London Business School.

Coping with new technology has caused several problems for at least one of the course participants, Tony Dumford. It took nine months to find a supplier of typesetting and graphics systems which understood what Dumford wanted and could put it all together but

even this company lacked the depth of expertise to provide all the answers and Dumford and his staff had to solve many of their own problems.

Sales took a dive; a number of customers quit; staff left in frustration at the delays. On top of this some of Dumford's computers were affected by a "virus" and his difficulties hit the headlines in the computer press. The problems have now been overcome and sales are expected to double to £360,000 by the end of this year. "But if we hadn't had computer and engineering expertise within the company we would have gone down," says Dumford.

Alex Stewart-Clark has attempted to introduce a manual stock control system for his Surrey timber merchant's yard but after a three-month trial found the system to be so inaccurate that he scrapped it.

He now plans to introduce a computerised control system but Gilling warns him to get someone to keep good manual records first. With stocks currently worth a quarter of the company's £480,000 turnover and sales projected to grow to £800,000 this year an uncontrolled build-up of stocks could become a problem.

It was this very problem which helped bring James MacRae's greetings card business to its knees. MacRae has yet to decide whether to put his company into liquidation and start fresh with a new company or whether to launch a new greetings card venture under his existing company. Either way, he says, he has reached an amicable agreement with his creditors and he will repay them eventually.

MacRae says his mistake was to agree unduly high stock levels with the subcontractor who made up his photographic cards. MacRae failed to keep a close eye on what was happening, he added, with large stocks of slow-selling cards and inadequate funds to produce more of the best-sellers. MacRae now plans to exploit what he believes is another potentially very profitable niche of the market. MacRae is the only course



Bill James: juggling his furniture and football businesses

member to have been forced to pull out of his original business but economic pressures have built up on several of the entrepreneurs. Bill James has found it increasingly difficult to sell his up-market fitted kitchens, bedrooms and bathrooms to home-owners hit by rising mortgage repayments. In the past few months business has slumped to just £5,000-£6,000 a month, a fifth of the levels of a year ago. On top of this the company's main supplier has introduced far tougher credit terms.

James is allowing the kitchen business to tick over but is concentrating most of his efforts on an unusual diversification: he is developing a profitable agency acting for Soviet and other eastern bloc footballers keen to play for Western clubs. Over the past six months James has placed three Soviet international players with clubs in Ipswich, Brighton and Southampton, taking a commission of between 5 and 10 per cent on transfer fees ranging from £200,000 to £400,000.

James has had a life-long interest in football - he qualified as a Football Association referee at the age of 16 - but this business opportunity was the result of his friendship with a Russian-born American who had signed contracts with several Soviet sporting organisations to represent their interests outside the USSR. With soccer a minority sport in the US, the American promoter was looking for someone to place his footballers in Britain

and the rest of Europe, says James.

Bill James may be an unusual example of the entrepreneur's ability to respond to new opportunities but a number of other course participants have diversified into areas closer to their core business. Rosey Harding has branched out into arranging conferences while Derek Clissold has been expanding the range of specialty chemicals supplied by his company, Cascade Biochem.

Sales growth is already strong - turnover in the first four months of 1990 exceeded the £145,000 in the whole of last year - but Clissold has further ambitions. He has begun producing a range of products for use in clinical trials and has reached agreement with a US manufacturer of a complementary range of chemicals to distribute its products in Europe. "This will double the size of our catalogue and make us much more of a 'one-stop' company," says Clissold.

The reunion has dwelt on the problems which the entrepreneurs have had to face but they welcome this opportunity to discuss their difficulties freely. For the rest of the year they are obliged to put on a brave face to customers, suppliers and competitors.

"If you were wiped out tomorrow would you go back to working for someone?" asks Gilling. The unanimous reply is: "No".

"An article describing the first annual reunion of the Firmstart group appeared on this page on May 5 1989."

Tilting towards local business

Charles Batchelor reports on indigenous investment

It is difficult, if not impossible, for the community-minded investor to invest in small businesses in his own locality.

Conventional financial institutions such as banks pool the money they gather from savers and lend it out where they can get the best return. A newly-formed development company set up Totnes, Devon, is attempting to provide a local investment channel. TILT - Totnes Investment in Local Trading - was set up last November to channel local savings into small businesses in the Totnes and Dart River Valley area.

TILT has raised £6,000 from about 10 local investors and plans to lend sums of between £500 and £1,500. It believes it can raise larger sums and make larger investments once it has proved itself. It is currently considering four projects - a day nursery, a whole-food restaurant, a mobile grocery store and a silver jewellery workshop - but has yet to make any investments.

TILT plans to invest in projects which are commercially viable and which make a contribution to the local community. This may mean it backs projects which a bank manager, operating purely commercial criteria, would not fund. Loans will be made at a rate slightly below that of banks or building societies though TILT does not set out to be an easy source of cheap money, says Mark Beeson, one of the initiators of the venture.

The current rate of interest charged to borrowers is 15 per cent - several points below what most small firms could expect to pay. Investors may buy either loan stock, currently paying interest of 6 per cent, in TILT or buy shares

which would pay a dividend. TILT's founders originally considered setting up as a Friendly Society, a charity or a bank but none of these formats was suitable. So after two years of looking for an acceptable legal structure, the founders opted for limited company status.

The Financial Services Act of 1986 exempts companies carrying out investment business between members of the same corporate body from the need to register though it prevents them from advertising for investments.

Although TILT may point the way for other local investment initiatives, this combination of social and commercial motives when making investments can be fraught with risk.

TILT Ltd, Birdwood House, Totnes High Street, Totnes, Devon. Tel 0803 557059.

Small firms and the unemployed

Small businesses play an important role in bringing school-leavers into the workforce and in helping the unemployed back into employment, according to a survey carried out by the Small Business Research Trust.

The study refutes the widely-held view that small firms poach from large firms. "Given that average earnings in small firms are lower than in large firms, the opposite tendency appears to be true," the authors state.

"This misapprehension has probably arisen because small firms do not spend much on formal training. They cannot afford to do this but have to

rely mainly upon training unskilled people on the job." A few fast-growing and sophisticated small businesses may recruit key employees from larger firms but the vast majority cannot afford to do so. Large firms undoubtedly get the cream of school and higher education leavers, the report says.

Thirty one per cent of recruits were previously unemployed or at school; 34 per cent came from other small firms; while only 17 per cent came from large firms (employing more than 100 people). The background of 18 per cent of recruits was not known.

Forty seven per cent of respondents (375 companies) had recruited employees during the previous year with 81 per cent of these taking on between one and four new workers. 11.5 per cent between five and nine workers and 3.5 per cent between 10 and 14. Some companies made sizeable increases in their workforce with eight firms (2 per cent of recruits) engaging between 25 and 50 new employees.

"Quarterly Survey of Small Business in Britain. Vol. 5 No 4. Small Business Research Trust, School of Management, Open University, Walton Hall, Milton Keynes MK7 6AA. Tel 09083 655331.

CB

In brief...

■ A one-day conference entitled Quality in Counselling and intended for counsellors to the small business sector will be held at Durham University Business School (DUBS) on June 18.

The conference will examine the key issues for small business support in the 1990s, likely changes in the clients for counselling services, the skills which will be required of counsellors and the effect of the privatisation of counselling.

Contact Ruth Ratcliffe, DUBS, Mill Hill Lane, Durham, DH1 3LE. Fee £55.

■ How should sub-contractors respond to the build-up of Japanese-owned manufacturing plants in Europe? At present these Japanese factories place 60 per cent of their sub-contracted business with Japanese companies which have followed the main manufacturers into Europe.

Suggestions on how European sub-contractors might increase their share of this business will be made at Working Together, EC/Japan Sub-contracting Opportunities, a two-day conference organised by the European Commission to be held in Brussels on June 21-22.

Business Briefings, 355 Fulham Road, London SW6 1ES. Fax 071 385 0974 or France Pacific Consultants, a rue Prince, 10014 Paris. Fax 1 45 39 14 02. Fee £24 (£100).

BUSINESS OPPORTUNITIES

MEMBERS ARE ENCOURAGED TO MAKE APPROPRIATE PROFESSIONAL ADVICE BEFORE ENTERING INTO COMMITMENTS

JOB LOTS + CLEARING LINES REQUIRED

FROM £50,000 TO £5M

J. Singer (Trust & Investment) Ltd,
Barkon House,
475 Bolton Road,
Swinton, Manchester M27 2TB
Tel: 061 793 9088 Fax: 061 794 4961

OFFICE FREEHOLD

For Sale with Potential

8 1/2% Yield

Newly completed Quality Office Development
Heart of the Thames Valley
12,000 sq ft + Parking for 50 cars
To be sold Freehold with potential of 8 1/2% Yield
For Rapid Transaction write

13, Melton Court, King Street
Maidenhead Berks SL6 1YD
or Telephone 0734-890088

WELL KNOWN BELGIAN

PLANT HIRE COMPANY

with family character is looking for partner in similar field to develop association.
- main activities: plant hire - earthmoving - heavy haulage
- subsidiaries in HOLLAND AND GERMANY
- current turnover: £3,000,000
A UNIQUE POSSIBILITY IF YOU WANT TO BE PART OF THE COMING BOOM OF ACTIVITIES ON THE CONTINENT.

If you are interested write
Box F9756, Financial Times, One Southwark Bridge,
London SE1 9HL.

UK BASED PRIVATE LIMITED COMPANY

SEES ASSOCIATION

with an ongoing growing company providing adequate production and storage facilities or with an established distribution, who want also have generous storage capacity.
The scope is a new one covering approximately 20 products, including hardware, children's furniture and household items.
Tools and one new 800 ton machine are available as well as adequate working capital.
Please write to:

Write Box F9762, Financial Times, One Southwark Bridge, London SE1 9HL.

THE BUSINESS SECTION

ALSO APPEARS

ON PAGE 8

TODAY

Humberts Leisure

M4 Corridor, Newbury

London 60 miles, (Newbury Centre 10 miles)

Grade I Elizabethan Mansion

set in historic grounds.

Commercial/Institutional use with development potential

(subject to planning).

In all about 9 acres. Available on a 125 year lease.

Ref. CH0401

A30 3 miles, Stratford-upon-Avon 7 miles.

A fine period country house

3 Reception Rooms, 8 Bedrooms

7 holiday cottages

Fitted and all weather games facilities. Set in prime unspoilt

Dorset countryside. In all about 3 acres

For sale freehold as a going concern with full inventory

For further details Contact: London Office, Tel: 071-629 6700

or Stratford-upon-Avon Office, Tel: 0747-534567

Humberts Chartered Surveyors 25 Grosvenor Place, London W1A 3AB

Tel: 071-629 6700

COMPUTER DATA CENTRE

PROCESSING FACILITY

Ideally located in the heart of central Scotland with ready access to the

motorway network and Glasgow and Edinburgh Airports, this facility comprises

of 14,000 square feet of bespoke computerised processing centre contained

within a modern building envelope with a high security profile.

The facility includes 3 separate data centres of 5,500, 3,500 and 4,000 square

feet with a further 7,000 square feet of space for future development office

accommodation and on-site parking.

Further details from:

L.D. Granger & Co.,

10 Somerset Place, Glasgow, G2 2JT

Tel: 041-629 6701

Euan Wallace & Partners

117 West George Street, Glasgow, G2 1QR

Tel: 041-629 4905

EQUITY CAPITAL

£1,000,000

Environmental services group with

"green" credentials seeks additional

equity capital to finance growth.

Write to Box F9762 Financial Times, One Southwark Bridge, London SE1 9HL.

The contents of this Advertisement have been approved by the payment of Section 57 of the Financial Services Act 1986 by a firm authorised by the Law Society to carry on investment business.

Property

Finance

Sterling and currency

funds available at fixed,

or variable rate on

investments and

owner-occupied. Low

start and deferred

interest schemes

available.

JOHN CHARCOL

COMMERCIAL

195 Knightsbridge,

London SW7 1RE

Tel 01-889 2626 and ask for

Commercial Department

We have opened our

new office in Leipzig,

Ernst Weichert STR.

30

The opening is our

response to the great

demand from overseas

companies wishing

representation in East

Germany.

Please contact: WZ consulting

in Leipzig or Hannover 61,

PO Box 680115,

Tel 010 49 (511) 58 88 28

Fax: 010 49 (511) 59 16 38

BUSINESSES FOR SALE

The Joint Administrative Receivers offer
for sale the businesses and assets of:

Wm Martin Group
(Holdings) Limited
and
R Frampton (Cameras) Limited

• Retail Chain of well established Camera Shops

• Trading locations in Birmingham, Coventry, Leeds, Hull, Northampton,

Southampton, Bournemouth, Cardiff, Exeter and Plymouth

• Annual Turnover in the region of £4 million

• Leasehold premises in prime high street locations

For further information please contact: A M Grove and C J Barlow
of Cork Gully, Marley House, 23 Princess Street, Plymouth,
Devon, PL1 2HE. Tel: 0752-668888 Fax: 0752-673514

Cork Gully is a subsidiary of the estate of Captain B Lyford
Deceased by the trustees of Chartered Accounts in England and
Wales to carry on Investment Business.

Cork Gully

LEONARD CURTIS

BY ORDER OF THE
JOINT ADMINISTRATIVE RECEIVERS
KEITH GOODMAN FCA and STEPHEN SWADEN FCA

IN THE MATTER OF

SIMKINS & LEESON LIMITED

Offers are invited for the business and assets of this
well established company which specialises in
Vehicle Road deliveries by Trade Plate.

Situated in leasehold premises in Dunstable, Beds,
the company has a current turnover of approximately £1m.

For further information please contact:
Leonard Curtis & Co, Chartered Accountants
30 Eastbourne Terrace, London W2 6LF
Tel: (071) 262 7700 Fax: (071) 723 6059 Ref: 38/AV

A NEW SWEDISH PATENTED DEEP-HOLE

DRILLING TECHNIQUE

Exchanging worn-out drill bits involves expensive drill interruptions for
winding up the entire drill stem. This new drilling technique, developed by
Swedish experts, virtually eliminates the drill interruptions, leading to great
savings in deep-hole drilling.

The worn-out drill bit is exchanged at the bottom of the drill hole and the worn-out
drill bit is disposed of in a side pocket formed by the worn-out drill bit.

The technology owner is anxious to establish contact with part interested in
exploiting this technology world-wide. Please contact:

B. Hedberg International AB
Solvägen 10 S-183 22 TABY, Sweden
Phone: +46 8 732 75 50, Fax: +46 8 732 53 54

Quality men's clothing (London)

- Designer and Importer
- Leading brand names
- Well established network of agents
- Over 1400 accounts, mainly independents and sports shops
- 1989/90 forecast turnover £4 million
- Profitable

Potential purchasers please write to Tim Lyle at
Acre House, 69-76 Long Acre, London, WC2E 9JW

LIVINGSTONE FISHER

The acquisition and disposal specialists

A member of FIMBRA

COMPUTER EXPRESS LIMITED

IN ADMINISTRATIVE RECEIVERSHIP

The Administrative Receiver invites offers for the assets and business of the above Company.

* Freehold Retail Premises - Manchester

- Birmingham

- Hayes

- St Albans

* Leasehold Head Office/Warehouse - Dunstable

* Turnover approximately £5.4 million per annum

* 32 Staff

Contact Philip Lyon or John Harlow

Hawson Lyon & Co

St James House

King Edward Court

Nottingham

NG1 1EW

Tel: 0602 592515

Fax: 0602 582537

Telex: 378391 SOLVIN G

The Joint Administrative Receivers, David Emanuel

Merton Mond FCA and Lawrence Ian Freedman FCA, offer

for sale the business, assets and goodwill of:-

R.S. & M. ENGINEERING

COMPANY LIMITED.

The Company specialises in general precision machinery

fabrication, hand-facing, chrome and nickel plating and heat

treatment to steel, iron, coal and glass industries and to

agricultural, mining, quarrying, earth-moving and lifting gear

manufacturers.

Current turnover around £800,000 per annum.

Workforce and client list excellent.

Further enquiries to:

Touche Ross



RUSH & TOMPKINS GROUP PLC AND SUBSIDIARY COMPANIES (In Administrative Receivership)

The Joint Administrative Receivers now offer for sale the businesses and assets of group companies. The profile of the group companies comprises:

- | | |
|--|--|
| <input type="checkbox"/> Turnover to 31 March 1989 £255m | <input type="checkbox"/> Profit before tax to 31 March 1989 £8.3m |
| <input type="checkbox"/> 12 Regional Branches | <input type="checkbox"/> 1,750 Employees |
| <input type="checkbox"/> 250 contracts ranging from £50,000 to £100m | <input type="checkbox"/> Shareholdings in Joint Venture development companies in the UK, Europe, USA and the Bahamas |
| <input type="checkbox"/> Investment properties | <input type="checkbox"/> 2 Leisure Clubs |
| <input type="checkbox"/> Plant and Equipment | <input type="checkbox"/> Building materials |
| <input type="checkbox"/> Motor vehicles | |

Potential purchasers should contact where appropriate the regional office of Rush & Tompkins as under:

Northern - Steve Akers (Touche Ross Partner), c/o Rush & Tompkins Ltd, Woodlands, 106 Yarm Lane, Stockton-on-Tees, Cleveland TS18 1TR. Tel: 0642 675 591. Fax: 0642 604507.

South West - Robert Ellis (Touche Ross Partner), c/o Rush & Tompkins Ltd, Wessex House, Station Rd, Westbury, Wilts BA13 3JN. Tel: 0222 371 524. Fax: 0222 396 231.

The Metro Centre - Grahame Watts (Touche Ross Partner), c/o Rush & Tompkins Ltd, The Metro Centre, Gateshead, Tyne & Wear NE11 9NN. Tel: 091 488 0411. Fax: 091 488 9045.

Midlands - Ralph Preece (Touche Ross Partner), c/o Rush & Tompkins Ltd, Richardshaw Drive, Grangefield Industrial Estate, Leeds, Yorks LS26 6SB. Tel: 0532 573 437. Fax: 0532 551 253.

South East - Nigel Addison (Touche Ross Partner and Joint Administrative Receiver), c/o Rush & Tompkins Ltd, Prospect House, 19-21 Homedale Road, Bromley, Kent BR2 9LY. Tel: 081-464 4111. Fax: 081-466 5911.

Alternatively enquiries can be made directly to the Joint Administrative Receivers Christopher Morris or Tony Houghton at Touche Ross & Co, 55/57 High Holborn, London WC1V 6DX. Tel: 071-405 8799. Fax: 071-831 2628. Telex: 261296 TRCHAN G. Authorised to carry on Investment Business by the Institute of Chartered Accountants in England and Wales.

LEISURE INVESTMENTS PLC

The Joint Administrative Receivers offer for sale the businesses of a number of the subsidiaries in this group. The businesses are operationally independent and comprise:-

CASINOS

The assets of Aspinall Cerzon Ltd, including the Aspinall Cerzon Casino.

- * 4,500 members.
- * Experienced and fully qualified gaming staff.
- * Well equipped restaurant.
- * Leasehold premises in Mayfair.

In addition ownership of a prestigious Istanbul based casino.

PROPERTY INTERESTS

Including:

A 400 acre development site in Weston-Super-Mare.

- * Other valuable development properties and sites.

RESIDENTIAL DEVELOPMENT

The Southampton based assets of Bartlett Gilbert and Co. Limited and Bartlett Gilbert Developments Limited.

- * Well established residential property development business in Southampton area.
- * Eight development sites, all completed or close to completion.
- * Four undeveloped sites totalling some five acres with full planning permission.

MOBILE HOMES

The assets of Modern Mobile Homes Limited (trading as Surrey Park Homes)

- * Seven freehold and one leasehold site with approximately 1000 plots situated in the Home Counties.

* Highly profitable operations with turnover approximately £3 million p.a.

RESTAURANTS

The largely London based assets of Leisure Restaurants Limited

- * Three restaurants operating under the 'Tony Roma' franchise.
- * The 'Down Mexico Way' restaurant.
- * 'The City Brasserie'.
- * Three non-trading restaurants including a new 'Tony Roma' site under development in Peterborough.

SNOOKER CLUBS

The assets of the Ritz Snooker Clubs Limited

- * Eleven licensed snooker clubs based in South East England.
- * One further leasehold site acquired for future development.
- * One freehold site.
- * Turnover approximately £3 million p.a.

For further information contact:

Peter Tuch
Arthur Andersen & Co.
P.O. Box No. 55,
1 Surrey Street,
London WC2R 2NT

Telephone: 071-438 3773
071-831 1133

ARTHUR
ANDERSEN
& CO.

Norstar Ltd (In Receivership) Westbury, Wilts

The company's main activity is manufacture of custom built high quality kitchen furniture from leasehold premises equipped with modern plant.

- Turnover £720K for year to 31.10.89
- Established dealership network
- Substantial Contract with national builder
- Skilled workforce

For further details please contact the Joint Administrative Receiver:

Robert St. J. Buller,
Grant Thornton,
43 Queen Square,
Bristol BS1 4QR
Tel: 0272 268901
Fax: 0272 266458

Grant Thornton

The U.K. member firm of Grant Thornton International, authorised by the Institute of Chartered Accountants in England and Wales to carry on investment business.

EQUITY & GENERAL FINANCE (RENTALS) LIMITED (IN RECEIVERSHIP)

EQUITY & GENERAL FINANCE LIMITED (IN RECEIVERSHIP)

The receiver offers for sale the majority of the contract hire lease portfolio of the above companies.

The leases comprise:

- * Approximately 800 motor vehicles on contract hire
- * Approximately 115 vehicles on contract hire to local authorities

In addition there is a finance lease book with a future income stream of £1m available for sale.

For further details please contact:

John Wheatley, Receiver.

KPMG Peat Marwick Corporate Recovery

Peat House, 2 Cornhill Street, Birmingham
Tel: 021 233 1666. Fax: 021 233 4390.

JLB GROUP LIMITED (and certain subsidiary companies) IN RECEIVERSHIP

The Joint Administrative Receivers offer for sale on a going concern basis, the business and assets of a significant manufacturer of decorative fuel effect gas fires, fireplace surrounds and accessories and condensing boilers.

- * Based in Flint, North Wales
- * Annual Turnover approximately £7 million with blue chip customers
- * Market leader in its field supplying high quality products
- * Purpose built premises on modern industrial estate, 3 acre site, 100,000 sq. ft.
- * In-house manufacturing capability and expertise, including manufacture of soft ceramic products
- * Acknowledged expertise in research and development of gas appliances

For further information please contact, in confidence, Mark Hopton or Clare Robinson on 021 233 1666 or 03526 62061/2.

KPMG Peat Marwick Corporate Recovery
Peat House, 2 Cornhill Street, Birmingham B3 2DL
Tel: 021 233 1666. Fax: 021 233 4390.

LIMITED COMPANY FOR SALE YARN WHOLESALERS/DISTRIBUTOR

- * Absolutely no liabilities involved
- * Tax losses in excess of £250,000
- * High quality hand knitting yarn available with leader support if required.

Approx. 5,500 mail order customers
Enquiries write to box H6281, Financial Times, One Southwark Bridge, LONDON, SE1 9HL

The Business Section appears every Tuesday, Friday and Saturday.

Advertising rates:

Business Opportunities.

£55.50 per single column centimetre - minimum 3cm
£16.00 per line - minimum 3 lines

Business for sale/wanted

£50.00 per single column centimetre minimum 3cm
£15.00 per line - minimum 3 lines

For further details please contact:
Gavin Bishop 071-873 4780 or
Sara Mason 071-873 3308 or write to:

Classified Advertising, Financial Times,
Number One Southwark Bridge,
London SE1 9HL

BUSINESSES FOR SALE

SCOTTISH CITYLINK

On the instructions of the Secretary of State for Scotland, the Scottish Transport Group offers for sale:

SCOTTISH CITYLINK COACHES LTD

Scottish Citylink is a Scottish-based provider of express coach services within Scotland and from Scotland to London and to certain other major centres in the UK.

For further information, please write to:



Mr Malcolm Rodger,
Commercial and Planning Director,
The Scottish Transport Group,
Cannon House,
14/16 George Street,
Edinburgh EH2 4JX.

The contents of this advertisement, for which the Scottish Transport Group is solely responsible, have been approved for the purposes of Section 57 of the Financial Services Act 1986 by Companies & Liquidation as a firm authorised by the Institute of Chartered Accountants in England and Wales to carry on investment business.

The shares in Scottish Citylink are not traded on a recognised or designated investment exchange and as a result there is no regulated market for the shares.

U.S. COMPANIES FOR SALE

* **Environmental Services** - asbestos abatement operating in 23 states for commercial (70%), industrial (15%) and government (15%). Sales \$22mm. Pretax \$3.7mm. 7131190

* **Wholesale Distribution** - aftermarket marine products to U.S. (75%) and foreign (25%). Sales \$25mm. Pretax \$1.750mm. 7131190

* **Manufacturer/Wholesaler** - speciality advertising and promotional items including caps, T-shirts, mugs, pens, etc. Niche Markets. Sales \$8.5mm. Pretax \$1.1mm. 4130190

* **Temporary Employment** - mix of light industrial and clerical. "B" market. Sales \$10.0mm. Pretax \$1.3mm. 1213189

* **Other Exclusive Companies in Environmental Services, Manufacturing and Distribution Available for Acquisition.**

For More Information Contact:
Bradley W. Hall
Telephone: (813) 573-5333
Fax: (813) 573-5337

Olympic Glass Company Limited
(In Receivership)Nu-Fronts Double Glazing Limited
(In Receivership)

The business and assets of the above companies which manufacture uPVC and aluminium double glazing units, are available for sale as going concerns.

- Operates from a leasehold factory in Birkenhead and 10 freehold and leasehold showrooms in North West England.
- Approved BS 5713 and BS 5750 Part 2.
- Patented uPVC Diamond Window System.
- Combined annual turnover of £3 million and current order book in excess of £175,000.
- Skilled workforce of approximately 35.

Enquiries to the The Joint Administrative Receivers, A.P. Brennan FCA, Price Waterhouse, York House, York Street, Manchester M2 4WS. Telephone: 061-228 0541. Telex: 860581. Fax: 061-228 1420.

Price Waterhouse

PARKGATE CORPORATION LTD

- Specialists for Germany -

- The following German companies are for sale:
- Producer of Pasty Specialties - TO DM 12 M
 - Producer of Bread and Pies Cakes - TO DM 18 M
 - Producer of Speciality outlets, etc. - TO DM 8 M
 - International Food Supplier - TO DM 40 M
 - Producer of Italian Gummy Specialities, etc. - TO 25 M
 - Producer of Fruit Juice Concentrates - TO DM 22 M
 - Producer of Canned/Pickled Food - TO DM 24 M
 - Thermomaterial Producer (Gaskets/Gaskets) - TO DM 50 M
 - Producer of Plastic Lids, Ties and Calibration Systems - TO DM 30 M
 - Wholesale Distribution - TO DM 160 M
 - Manufacturer of Bagging - TO DM 40 M
- For (0274) 691119 Telex: 829761

CHRISTIE & CO

On the Instructions of Compass Hotels Limited

Goffs Park Hotel
CRAWLEY, WEST SUSSEX

Excellent location, convenient for both Crawley and Gatwick Airport. 65 en-suite letting bedrooms with 3 star AA/RAC Rating. Currently trading at a very successful level. Comprehensive meeting, conference and function facilities.

£4.75 million freehold
London Office Ref 4/5518

14 OFFICES THROUGHOUT THE UK

LONDON OFFICE
071-799 1212

NAVIGATE
WITH
PROFESSIONALS

Mergers & Acquisitions

Contact: Martin Weston
LOWNDEN LTD 3 CHESHAM STREET
LONDON SW1X 8ND TEL: 071 823 2800

SHOPFITTING CONTRACTORS
CLEVELAND

The business and assets of Newman Shopfitters (Cleveland) Limited are available for sale as a going concern. Principle features of this highly regarded business comprise:

- Skilled work force of 150 craftsmen
- Annual turnover in the region of £6 million
- Modern purpose-built premises of 35,000 square feet
- Substantial forward order book of prestigious contracts
- Joinery shop well-equipped with modern plant

For further details please contact
Martin Shaw



Peat Marwick McLintock

City Square House, 7 Wellington Street,
Leeds LS1 4DW.
Telephone: 0532 450331 Fax: 0532 424377

The Joint Administrative Receivers offer
for sale the business and assets of

International Window
Company Limited

(In Receivership)

SPECIALIST WINDOW DESIGN AND MANUFACTURE

The main features and assets comprise:

- An established business and customer base
- Range of own branded products of principally aluminium glazed window systems
- Recent turnover is estimated to be in excess of £800,000 per annum
- Substantial stocks of raw material
- Comprehensive range of related plant and equipment

For further details contact:

Nigel Voight, Joint Administrative Receiver, Cork Gully,
9, Greyfriars Road, Reading, Berkshire, RG1 1JG
Tel: 0734 500336, Fax: 0734 807700, Telex: 848586

Cork Gully is authorised in the name of Companies & Liquidation by the Institute of Chartered Accountants in England and Wales to carry on investment business.

Cork Gully

The Joint Administrative Receivers offer
for sale as a going concern the business
and assets of a

Sainsbury's BAKERY

Alnwick, Northumberland

Northumbria Sainsbury's Baking Company Ltd, a company specialising in the marketing of high quality custom products.

- A modern fully equipped plant including an AFOG 120 alone smokehouses.
- Company is currently meeting BS 5750 accreditation.
- Budgeted turnover for 1990 £1.2m.
- Millers' workforce presently retained by the Receiver.
- Premises are available by separate negotiation either by lease or freehold.

For further details please contact: G D Gidley or D M McMillan,
Joint Administrative Receivers, Cork Gully, Heddon House,
Higham Place, Newcastle-Upon-Tyne NE1 8BP.
Telephone: 091 281 2121, Fax: 091 232 0504

Cork Gully is authorised in the name of Companies & Liquidation by the Institute of Chartered Accountants in England and Wales to carry on investment business.

Cork Gully

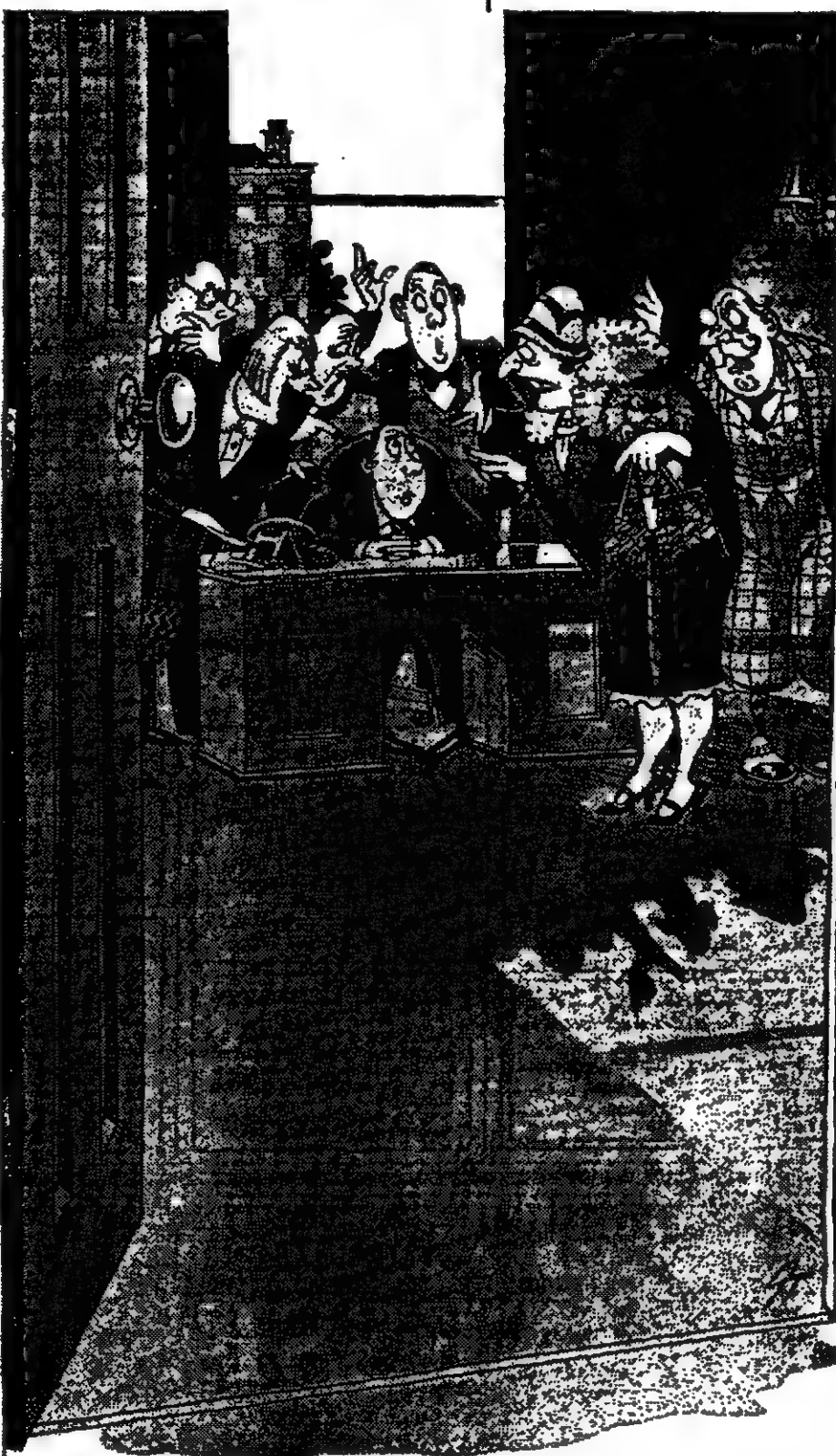
FOR SALE
SPECIALIST TUBE
MANUFACTURING BUSINESS
-WEST MIDLANDS-

- Owner retiring
- 1989/90 Turnover £2 million
- Excellent profitability
- Superb Plant & Machinery
- "Niche" market position
- Leasehold Premises - 25,000 sq.ft.
- Skilled workforce
- Wide customer base
- Scope for considerable expansion

L C A Newitt/Mrs D A Ridge,
Business Brokerage Department
50/51 High Holborn
London WC1V 8EG
Tel: 071-405 8411
Fax: 071-405 9772
Telex: 897377



HENRY
BUTCHER



Ever wish you could make the family business less of a family affair?

It's a problem that's all too common. You've taken charge of the family business, and now the family's trying to take charge of you. Naturally, everyone wants their say. But here's a simple, if rather brutal, fact: fewer than a third of family-run businesses survive to the second generation.

Why do so many perish? Reasons vary. But very often, it comes down to this: a failure to reconcile the interests of the family with those of the business.

Sometimes, the dilemma may seem impossible. But at Stoy Hayward, we understand the opportunities—and the hazards—for family-run businesses.

And as a leading firm of accountants, business advisers and consultants, we offer the breadth of experience and professional services you may need.

So, when you need to talk to someone outside the family, you can talk to Stoy Hayward.

For more information, contact Peter Leach, Stoy Hayward, 8 Baker Street, London W1M 1DA, tel: 071-486 5888. Or return the coupon below.

Please send me more information about Stoy Hayward's service for family businesses. ☐

Please contact me to arrange a meeting with a Stoy Hayward partner. ☐

Name FTS

Company

Position

Address

Telephone Number

Peter Leach, Stoy Hayward, 8 Baker Street, London W1M 1DA.



Stoy Hayward

A Member of Horwath International

ACCOUNTANTS • BUSINESS ADVISERS • MANAGEMENT CONSULTANTS

Adding value to business

Offices in Belfast, Birmingham, Bristol, Glasgow, Leeds, London, Manchester, Norwich, Nottingham, Sunderland, the European Community and Worldwide.

BUSINESSES FOR SALE

Security Systems.

The Joint Administrative Receivers offer for sale the business and assets of F.M. Security Limited (in administrative receivership), manufacturers of security equipment.

- Turnover approximately £1m p.a.
- Leasehold premises in Guildford and East Kilbride
- Stock and work in progress
- Own range of intruder alarms.

For further particulars contact:
Jason Elles CA, Ernst & Young,
Apex Plaza, Reading RG1 1YE.
Tel: 0734 500611. Fax: 0734 507744.

Ernst & Young

DAVID GARRICK

FROZEN FOOD DISTRIBUTOR SOUTHERN ENGLAND

We are retained to sell a profitable and well located frozen food distributor.

- Long established and growing
- Profitable, with capacity for further growth
- High quality cold storage capacity
- Major property assets
- Family Director wishing to retire
- Turnover approximately £6.4 million.

DAVID GARRICK
1 de Weldon Court
85 New Cavendish Street
London W1M 7TA
Tel: 071-631 0530
Fax: 071-498 4311

For further information contact:
ROGER BROWN

SPECIALISTS IN ACQUISITIONS & DIVESTMENTS

Isleworth Studios Limited

The business and assets of Isleworth Studios are for sale as a result of receivership.

- First rate studio and ancillary facilities for production of television and cinema commercials.
- Very highly regarded within the industry.
- Experienced and skilled workforce.
- Annual turnover in excess of £1.9 million.
- Profit before tax £385,000 p.a.
- 27,000 sq. ft. freehold property in prime location.

Enquiries to The Joint Administrative Receiver, JSA Phillips FCA, Price Waterhouse, No 1 London Bridge, London SE1 9QL.
Telephone: 071-639 3000. Fax: 071-639 5566.

Price Waterhouse

48 LETTING PROPERTIES IN NORFOLK/SUFFOLK BORDERS.

Mixture of 1-4 bedroomed properties (houses and flats). Gross income over £160,000 per annum. Small outgoings. Present valuation £2.4 million. Offer in the region of £2.0 million for the whole. Principals only need apply.

Tel: Mrs Hunt 0842 810262/811484, Fax: 0842 813074

PRINTING BUSINESS - NETHERLANDS

High Tech, Modern Heat set rotation printing plant. Ideal for purchaser or partner with excess long run printing work. Current Turnover £7m. Capacity is £14m+. All offers considered for speedy conclusion.

Contact: Graham Chamberlain, Corporate Commercial Services Ltd 0202-685568

On Client Instructions
FOR SALE BY PRIVATE TREATY
as a Complete Plant for removal, located UK
EXCELLENT MODERN ICE CREAM
MANUFACTURING PLANT
CAPACITY 2,000 LITRES PER HOUR - USED FOR QUALITY
CATERING PRODUCTS AND LUXURY DESSERTS
For further details and appointment to
view, apply to Mrs D Ridge,
Bromley House, 50/51 High Holborn
London WC1V 6SG
Tel: 01-405 8411 Fax: 01-405 9772

HOTELS & LICENSED PREMISES

Humberts Leisure

SH Stoy Hayward

A Member of Norwich International
On the Instructions of the Joint Administrative
Receiver - P. R. Copp Esq FCA FCGA and R. Hocking Esq FCGA

Bosworth Hall Hotel,
Leicestershire

A newly converted luxury Hotel

- Magnificent Grade II* Listed William and Mary Mansion.
- 66 luxurious bedrooms including 6 suites.
- Distinguished public rooms.
- Extensive conference facilities.
- Planning consent for leisure development.

For Sale Freehold complete

Ref: DG

Humberts Chartered Surveyors
Tel: 071-629 6700

28 Grosvenor Street
London W1X 9PE
Fax: 071-492 4242



NURSING HOMES

South West location - Nursing Home registered for 65 with disabled planning to extend registration to 70 - under full management - good reputation - average occupancy 60 producing a net in excess of £240,000 per annum - Price £1,075,000

South West Spa Town - Superior Nursing Home registered for 31 - enviable position - high occupancy levels and two suites - disabled planning for a further 14 single bedrooms available - spacious day room. Offer invited in the region of £1,250,000

We have a large selection of development sites for Nursing and Residential Care Homes throughout the country and for further information please contact our Corporate Department.

Full details from June Willoughby, Taylor Corporate, 081 580 8130
A member of the Business Sales Group plc

Dual Registered
NURSING AND RETIREMENT HOME
East Anglia

Current income £350k p.a. from 30 nursing and 30 care. Additional 18 nursing agreed in new-build block with further expansion possible. Offers in excess of £1.6m. Principals or retained agents only.

Write to Box H6178, Financial Times,
One Southwark Bridge,
London SE1 9HL

INTERIOR LANDSCAPE
COMPANY

Based in the South West Rental maintenance and outright sales portfolio Turnover £500,000 p.a. + Excellent gross Margins.

For details write to

Raymond Wright, 24 High Street,
Street, Somerset BA16 0EB

COMMUNION WINES

A unique opportunity exists to acquire an old established, small but highly profitable company specialising in supplying non-alcoholic Communion wines. Established more than 130 years ago, this company supplies over two thousand congregations in this country and also exports non-alcoholic Communion wine which is produced to the formula developed by its founder early in the nineteenth century.

This 'niche' business is available only because the owners have moved overseas.

Principals only apply to Box H6181, Financial Times,
One Southwark Bridge, LONDON, SE1 9HL

PLASTIC MOULDING SUPPLIES/EQUIP. FIRM

U.S. parent seeks to divest itself of profitable 5 year old U.K. subsidiary firm. Proprietary line of supplies and equipment for plastic moulding industry. Self-contained entity with outstanding track record. 114% average annual sales growth. 12% profits, price £300,000 can be recaptured in 36 months ideal opportunity for firm, individual or investor.

Full particulars despatched immediately to qualified buyers.
Contact: Mr Anderson, The Nicholson Group,
34 Accord Park Drive, Accord (Norwell), Massachusetts, U.S.A., 02018.
Phone 010-1-517 2400. Fax 010-1-517-4728.

CONTROLLED CIRCULATION
MONTHLY
FINANCIAL MAGAZINE TITLE, MAILING LISTS,
SALES CONTACTS ETC. FOR SALE OR
MERGER

Write to Box H6183, Financial Times,
One Southwark Bridge, London SE1 9HL

PROFITABLE
ELECTRONIC COMPONENT DISTRIBUTOR

Established 1959,
North M25 location,
Broad Customer base,
£200,000 Turnover.
Principals only write to Box H6180, Financial Times,
One Southwark Bridge, London SE1 9HL

DIVERCO
Sell Companies
Nationwide

SELLERS and BUYERS
Contact in confidence:
DIVERCO LTD.
A Bank Street
Worcester WR1 2EW.
Tel: 0905 22303

SOUTH COAST ARCHITECTURAL PRACTICE

High-quality architectural practice with impressive track record in corporate head offices, health and educational buildings being directed by group sector sale or merger with consultancy and expansion.

Last year's turnover £430,000 has capacity for substantial increase.

Principals only write to Box H6186, Financial Times,
One Southwark Bridge, LONDON SE1 9HL

LONG ESTABLISHED VENTILATION COMPANY
FOR SALE

Excellent opportunity to acquire profitable industrial ventilation company with international reputation for high quality products. Turnover exceeding £1m. with excellent prospects for expansion. Ranges of internationally known fans, controls and systems. Principals only.

Write Box H6186, Financial Times, One Southwark Bridge,
London SE1 9HL

COMPUTER SOFTWARE COMPANY

The company produces its own range of software for the IBM/Amstrad PCW market. It also sells a range of other products into the established customer base of 8000 companies. The customer base is growing at a rate of 2000 companies per year.

Write Box H6199, Financial Times, One Southwark Bridge,
London SE1 9HL

LONG ESTABLISHED PRINTING
COMPANY

projected 1990 turnover of £1.9 million flexible workforce with both short and long term experience, including high quality 4 colour work.

Write to Box H6200, Financial Times,
One Southwark Bridge,
London SE1 9HL

Due to Retirement of
PrincipalsSELF-DRIVE
VAN HIRE

business available
for sale

- Based S. West of England.
- Consistent profitability.
- Substantial fleet of vehicles
- Large freehold site.
- No bank borrowings.

Write to Box H6195, Financial Times,
One Southwark Bridge,
London SE1 9HL

Manufacturer of
Specialist Boilers

South of England

Company has developed a unique range of commercial hot water systems with special boiler control properties but does not have the resources to exploit the enormous market.

MELVILLE
ASSOCIATES
LIMITED

Merger and Acquisition Brokers

10 Charlotte Square
Edinburgh EH2 4DR
Tel: 081-228 7876
Fax: 081-220 0886

MALTA - A BUSINESS
IN THE SUN

Investment opportunity to buy a go-ahead long established import/export company with a T/O in excess of £1.4 million annually. Commercial property included in the price is worth over £400,000. Ideal location as good launching pad into the EEC and the Middle East. Price £200,000 negotiable. Austin & Co, Suite 356,
182 Regent Street,
London W1R 5TB
Tel: 01-438 8757

PRINTING FIRM

North West England, well established general printing firm for sale. T/O £2.5m and growing. Profits in excess of 10% net with some involvement from principals. Large premises, modern equipment, and good PLC accounts. Sale due to personal reasons. Price in region £2.5m.

Write Box H6177, Financial Times,
One Southwark Bridge,
London SE1 9HL

FOR SALE
REGISTERED
RESIDENTIAL
CARE HOME

Chandlersford,
Near Southampton
Companies with all
current standards
TEL: 0703 280678

HOTEL FOR
SALE

Earls Court London
SW5 3D bedrooms.
Income £300,000.
Freehold. Price £1.9m.
Contact Mr Khan/Mrs Reeves
071-373 0359, 071-370 3310,
09274 25666

FOR SALE
COUNTRY HOTEL
AND GOLF COURSE
FREEHOLD

Substantial Offers, Write
box H6194, Financial
Times,
One Southwark Bridge,
LONDON, SE1 9HL

BUSINESS DIRECTORY
FOR SALE

Established 5 years, owned by private publishers. This annual directory is no longer compatible with current publication expansion.

Write Box H6190, Financial Times, One
Southwark Bridge, LONDON, SE1 9HL

Expanding Group in cleaning,
security and building maintenance
markets is looking to
merge with Allied Company
with a view to public flotation
in the next 2 years. Current
turnover £2 million plus per
annum, substantial finance in
place.

Write Box H6187, Financial Times,
One Southwark Bridge,
London SE1 9HL

FORKLIFT HIRE,
SERVICE, SALES

Small profitable company.
T/O £200k. Consistent
M25. Good growth
prospects.
Contact: Mr Khan/Mrs Reeves
Write Box H6185, Financial Times,
One Southwark Bridge,
LONDON, SE1 9HL

NURSING HOME 21 BEDS
EAST MIDLANDS

Quality nursing home
good reputation room for
expansion to 30 beds.
Write Box H6198, Financial
Times, One Southwark Bridge,
LONDON, SE1 9HL

FOR SALE (W.Germany)

Business of hairdressing with 40+ employees turnover DM1,200,000 +/m. Order backlog DM5,000,000 +. Return excellent. New 8,500 sq. ft. plant, super modern machinery, top name in long term growth industry. Sales DM4,000,000 Sales 1988: DM13,500,000 Strong balance sheet/Price: DM65,000,000. Principals only. Fax: (0049-401-80) 2074 after April 1990.

BUYER REQUIRED
FOR NORTHERN
BASED SIGN
COMPANY

Turnover £2,000,000.
Many blue chip clients
Nationwide coverage.

Principals only write to box
H6191, Financial Times,
One Southwark Bridge,
London SE1 9HL

VISION SYSTEMS

Electronic manufacturing
business for sale including
stock.

Products include automatic
inspection system and general
purpose image processing
systems. Price guide -
£120,000.

Write Box H6179, Financial Times, One
Southwark Bridge, LONDON, SE1 9HL

Established
Group

of retail travel agencies,
Midlands area. Current
turnover over £2
million.

Write Box H6189, Financial
Times, One Southwark
Bridge,
London SE1 9HL

ADVERTISING
COMPANY

with secure lease on printing plant at
Over 600 locations
throughout East Anglia
Company (shut) for sale
and/or lease equipment.
Details - Write - Ad Ltd
0225 422282

FOR SALE

Manufacturing company, trading since
1979, producing established range of
timber products. Many national contracts,
small leasehold factory, fully
equipped. South Coast area. Good market
potential. Full package
£35,000 - 40

Write Box H6179, Financial Times, One
Southwark Bridge, London SE1 9HL

For Sale

High Quality Precision
Engineering Company.
Turnover £1.5m.
Profit £100k.
South of London, Retirement
Sale. Principals Only.

Write Box H6184, Financial Times, One
Southwark Bridge, London SE1 9HL

AUCTIONS

AUCTION
ALGARVE, PORTUGAL
To be held on 28 May 1990 at the
Dom Pedro Hotel, Vilamoura.
Properties include apartments, vil-
las, land, businesses, projects,
etc.

Contact: Linda de Lila
Tel: (Portugal) 091 634 104
06122 Fax (Portugal) 091 315 728

BUSINESS SERVICES

OVERSEAS
LOCATIONS

Full service human resources
consulting firm provides assistance
in relocation, employee selection,
remuneration, benefits, and
employee relations in U.S., Europe
and Asia-Pacific sites.

GLOBAL RESOURCES
CONSULTING, INC.
Made C. Roff, President
200 Park Avenue, Suite 303 East
New York, New York 10166
(212) 682-0331 U.S.A.

EXPERIENCED
MANAGING
DIRECTOR

AVAILABLE FOR SHORT
TERM OR INTERIM
ASSIGNMENTS
TEL: 0665 748835

NEED A
MENTOR?

Running your own business? Not
clear when you want to take your
business? Like to improve your
business? Don't know where to
turn to for unbiased help?

Telephone: 0255 240863

Your "Commodore" free
Switzerland

ONLY FREEDOM AS A BUSINESS CENTRE
Hearsh (Zürich) Markt
MODERN AND EQUIPPED OFFICES
17 m² - 54 m²
CONFERENCE ROOM
RESTAURANT AND
CO-ORDINATION SERVICES
Tel: 01-41-888-4075, Fax: 01-41-888-1888

BUSINESS AND
ASSETS

of solvent and insolvent
companies for sale.
Business
and Assets.
Tel: 01-282 1164

DIRECT MAIL LISTS A SERVICE 100% of
ready-made lists immediately available.
Suppliers to leading UK companies. Free
catalogue. Marketscan, Freeport, Chel-
chester, Sussex. Tel: 0245 760771

FRANCHISE FOR EXPANSION BY FACTORYING.
Specialist independent service tailor made
for the small business with cash flow prob-
lems. County Factors Limited (0203) 882881

COMPASSIONATE BUSINESSMAN seeks
commitment to carry out with discretion &
vigour worldwide. Fax (UK) 004 881822.

SECRETARIAL SERVICES. Letters, reports,
correspondence, CV's, Audio, shorthand,
copy, WP. Telephone 071 882 1284

LOANS

Up to £1 million secured on domestic
property to 90% of value or
£500,000 to 75% of value.

Open to divorcees, failed
companies and partners, etc. states,
no assets or income proof
required. No capital repayment.

Contact: James Rye
Prestwood Rye Financial Planning Ltd
Tel: (0272) 744653
(0452) 623434

Principals only apply to Box H6181, Financial Times,
One Southwark Bridge, London SE1 9HL

UNDER
PRESSURE?

Experienced troubleshooter
will fight your fires while you
get on with running your life
or your business.

Write Box H6157, Financial Times, One
Southwark Bridge, London SE1 9HL

NEW FAIRLINE 43

Best cruiser available for special
events and entertaining. Tailored
passenger packages to suit. Up to
12 in party. Either single day trip
or longer. Based on the South
Coast. Still available. Come
Week and Coast/Torquay
Covers.

Details: 0782 770661.

MOBILE SECURITY
TRAINING

Are your staff alert to security
risks or are they treated as an
afterthought to the company? Our
three-day training course would be an
investment in your company's future.
Tel: Wingard International
01-422 1229

OFFICE
EQUIPMENT

ONE MILLION
POUNDS OF OFFICE
FURNITURE
must be sold this month
due to massive
cancellation order. Up to
50% off original price.
Rosewood suites, Light oak
& Grey decking, some
reproduction furniture,
chairs, filing cabinets, and
fire resistant cabinets.
Viewing days - Wednesday,
Thursday, Friday. Ask for
Ray Barron. Trade
enquiries welcomed.
Phone 01-549-6339

BUSINESSES FOR SALE

Tuesdays,
Saturdays
and now FRIDAYS
(from 11th May 1990)

FINANCIAL TIMES
EUROPE'S BUSINESS NEWSPAPER

For further information please contact

Gavin Bishop on 071-873 4780 or Sara Mason on 071-873 3308

ARTS

A remarkable way to mark a first year

William Packer on Tiepolo at the Accademia Italiana and a Brooker retrospective

THE Accademia Italiana celebrates the completion of its first year in its handsome galleries at 24 Rutland Gate with a small but remarkable exhibition of drawings by Giambattista Tiepolo (until June 30). They come from the Civic Museum of Trieste which in 1910 acquired the collection, begun in the early 18th century by the Venetian engraver, Antonio Viviani, and later taken over and extended by Giuseppe Sartorio, of Trieste. A chequered modern history and the present exigencies of conservation make sure these drawings are rarely shown. They have never been seen in Britain before.

Tiepolo is the last great master of the baroque, *sui generis*. An artist who by the sheer exuberance and generosity of his technical and inventive powers, has astonished even those who find the richness of his work not quite to their taste. But times change and we have lately come round to a renewed respect for such consummate facility as his - artistry in its truest sense. His graphic command is indeed astonishing, as these faded, exquisite sheets testify.

The touch is of the lightest, the notation brief, deft and wonderfully economical, the hand as quick as the thought of the image itself. In the imagery he treats that narrowest and nearest of paths between the spiritual and the profane. His subject matter is conventionally if opulently religious, yet his piety is never immune to the active flash of a pretty

knee or plump thigh beneath the billowing skirt. The delightful run of street-life caricatures shows just how close he kept his eye to the real world.

William Brooker, who died 3 years ago at the age of 69, is remembered in a small but admirably comprehensive retrospective at Austin Desmond Fine Art (Pied Bull Yard, 15a Bloomsbury Square WC1 until May 24). He had nothing of Tiepolo's bravura and *glam*, but after his own more dogged fashion, shared much of that hedonistic delight in the visible world and in women in particular. Of all the British painters of his generation, brought up post-war in the tradition of objective impressionism after the manner of Sickert, Camden Town and the Euston Road School, he in the 1950s was the most delicate and particular.

His great quality, which is so well illustrated here, was the tender, undemonstrative strength of his drawing and composition, which set up the figures in a visual space and architecture that remained at once intimate and monumental. It is this quality that we see confirmed and refined through the continuing sequence of still-lives that was his principal preoccupation through the remainder of his life. Brooker's is not yet a name to set the salerooms alight, but he was that typical figure of the British art world - the serious, utterly professional and ultimately distinguished artist - we once seemed to produce as a matter of course. His turn is bound to



William Brooker's 'Nude reclining on a bed' (1955)

come. Several of this narrow selection should already be in the museum.

Paul Feller, whose retrospective inaugurates Austin Desmond's fine new space on the other side of Pied Bull Yard (until June 2) is Brooker's exact contemporary but happily still with us. His too is a reputation not altogether obscure but too long neglected. He is suffering that curious fate of being remembered for shows long past but for the moment is quite out of critical focus - almost invisible. But the world has moved on, and the abstraction of the 1950s and early 1960s, particularly that associ-

ated with the loose *conférence* of farthest Cornwall, is again being considered for its distinctive qualities. It is work that was largely resistant to the current American influences of the enveloping colour-field, as against the broader, more suggestive European sensibility. Rarely oversize or out of scale, inclined towards amorphic and organic reference in the imagery, earth coloured and more tonal than purely chromatic in the paint, rich in surface texture, Feller's work is all these things even when he succumbed to a more systematic method and hard-edged, simplified imagery in

the later 1960s. The work stands all of a piece and, like that of Brooker, warrants thorough critical reconsideration.

Finally, a simple recommendation of Luke Elwes' *Bungle Bungle* paintings that now occupy the Rebecca Hossack Gallery (35 Windmill Street W1 until May 12). Their subject is the landscape of the remote Australian outback, cast in the tradition of Nolan, Williams and Boyd, but more surreal than mythical, full of the quirky, active pictorial invention and incident of Miro. Yet their quality is entirely Elwes' own, at once funny, ironical and absorbing.

Mother Courage

CITIZENS' THEATRE, GLASGOW

Like many of our old industrial cities, Glasgow is spruced up, well scrubbed and touchingly expectant all dressed up but not quite sure of her future role. Cultural capital or not, the theatre-goer in search of a pre-show snack finds rapidly emptying streets and firmly brandished "closed" signs in that limbo hour before curtain-rise. Only an impressive Georgian frontage on the Clyde Riverside has lighted windows and cheerful music blaring forth: "Hope House", it says, "The Salvation Army".

An apt setting for the Labour candidate for Hampstead to shoulder the yoke of Mother Courage's wagon. So apt, indeed, that Philip Frowse's production quite effaces memories of the RSC version in London some years ago: tauter, clearer, more compact. For a Citizens production this is surprisingly straightforward, from scratch, of a survival despite, and because of, the Thirty Years War has been updated from the 17th century to our own time - whose peaked caps and goose-feet fit in all too pleasantly. Some dialogue is staged by mute figures symbolising the horrors of wartime, but for the most part the play is allowed to speak for itself and no nonsense about alienation (non-theatricality) or the Citi special style (over-theatricality).

The Citizens' imprint, however, unmistakably marks the opening. A golden field of corn, the gleamers advancing with choreographic precision, is backed by a black (charred?) frieze of broken pillars, damaged facades. An explosion

shakes the theatre (to at least one Glaswegian shriek), the house lights flash, the cornfield is whisked away. The smoke clears on the ramshackle landscape of wartime ruin; shooting and killing occupy the stage.

Comparisons between Judi Dench, London's last Courage, and Glasgow's Glenda Jackson are irrelevant. The actresses differ in physique, voice and temperament in common they have only theatrical intelligence and boundless humanity. If Dench was a mop-headed urchin, an ageless little bag lady, Jackson is the embattled businesswoman, beating down opposition to scrape a living in another existence she would be a landlady whose cry of "time!" would clear a terrified public bar in the Gorbals double quick. She adopts a northern nasal whine with her usual incredible vocal range, from arching coo of mocking incredulity to baritone baying from the chest.

The style is forthright and direct. Her refusal, under the suspicious eye of hostile officers, to identify the corpse of her son, is plainer, less subtle, than Dench's, possibly more Brechtian in that she signals the situation to us without lavishing emotion on it. There is a danger in her performance of relying too much on the vocal pyrotechnics, the grim, glum set of the jaw and dulled but not yet dead hopefulness in those watchful, rueful eyes. But there is a splendid performance, worthy of both Glasgow's European role and the Mayfest, the city's own party.

Excellent support comes from Tristram Jellinek as the turncoat (or rather turn-collar) chaplain, his prim tones evoking the vicar in *The Archers*. Roberta Taylor's whorish Yvette, tottering through the top brass on red platform-sole lace-up boots, and Laurence Rudie's cook - though he must project his voice more. The music hall act with which he and Courage beg crumbs from the darkened vicarage is superb (here the RSC production was embarrassing). As the dumb daughter consumed by longing for motherhood and a normal life, Jane Bertish, mulishly whey-faced, is memorable. Neither the drumming with which she warns the sleeping town of invasion nor her death - no topple from the roof-top like the RSC's Zoe Wanamaker - is as powerful as it could be, perhaps because the tension has been cranked up the darkness of Patrick Hannaway's old peasant.

Robert David MacDonald's translation and the choice of music, notably "Onward, Christian Soldiers" and, to fine ironic effect, "Aldie waltz", add to the impact. If ultimately one is shaken, not stirred, it may be the fault of Brecht who, it becomes clear, disguised a baleful misanthropy as political conviction. No wonder his unyielding image of humanity as cowardly, devious and brutal because obsessed by self-interest could only be countered by advocating a system now rejected by most of its victims. Today he would loathe us even more!

Martin Hoyle

Game

SADLER'S WELLS

As a programme note to his new ballet, *Game*, given its first performance by Sadler's Wells Royal Ballet on Friday, William Tuckett cites the dictionary definitions of his title. His score is Debussy's *Jazz*, that poems dance which was made for Diaghilev's Ballet in 1912. Then it was a mysterious incident, choreographed by Nijinsky, involving two girls and a man playing in a garden that it was intended to be a homosexual flirtation and that Diaghilev saw it as set "in 1930" adding to its mystery.

The Nijinsky version was short-lived, and Debussy's shimmering score has never found a lasting repertory place in any definitive realisation. For Tuckett, and for his designer, Stephen Measha, this new staging might well have the subtitle "trigues".

Action and location are intriguing, both in the sense of being unexplained, and in relying upon sudden dramatic tensions and unpredictable incidents as the performers spar with each other. Measha has provided a box set of a pale room, two of its walls shrouded in white hangings, with a central door through which four couples enter.

The host seems to be Kevin O'Hare, bespectacled, in white shirt and trousers. His partner, and two other couples - in modish outfits whose bursts of colour are clear, bright - indulge in mannered choreographic bender, as if playing out certain of the physical or emotional meanings of the title.

There then arrive the black clad Bonnie Moore and Tony



Tony Fabre and Bonnie Moore

quarry, Bonnie Moore matches O'Hare's spectacles - shades of *My Brother, My Sister* - while the curtain walls have been stripped to reveal glowing vivid painting.

At last, O'Hare puts on a jacket decorated with a patch of colour and leaves, and the world outside the door is shown to be as brightly painted as the walls of the room.

There is, I suppose, some message in all this about seeing beyond a conventional world to more vivid reality, or that life is a series of games that people play. The more immediate significance,

though, is that for all the wilful incidentals of the piece, Tuckett is evolving an elusive, albeit somewhat short-breathed, choreographic style. This second professional work for SWRB is, like his earlier *Those Unheard*, clever in establishing mood. In this he is much helped by Stephen Measha's admirably designs, and by a cast who play his games with the lightest touch.

The evening also included a careful, not to say sober-sided, view of *Les Sylphides*, and a lively account of *Flowers of the Forest*.

Clement Crisp

Hand Over Fist

WATERMILL, NEWBURY

The Watermill, with the mill churning over the water in the foyer, must be the most attractive theatre in the country to stand outside on a warm summer evening - which stacks the odds against any play running inside. Richard Everett's comedy about the illusions and

delusions of money making in the post-Big Bang City did not perhaps get a fair critical chance. Mind you, most of its problems are self-imposed. It has enough unfulfilled story lines to keep a television sitcom going for months. It is also stocked with the kind of characters who inhabit sitcoms, entering noisily from left to defuse the tension if things look like getting serious.

There is Roger (Robert McBain), the incompetent specialist, always planning a killing from doing over an old house, or shares in a Malaysian rubber company. There is Gwen (Betty Baynes) his wife,

still relying on girlish flirtatiousness in defiance of the passing years. There is Sid the builder (Walker Sparrow), willing the middle class of their guilt and their guilts.

This comic relief tramples over the main business which involves Angus, a City broker, returning home after a heart attack to his doctoring son, Connie, who wants him to retire. Throw in a son as business rival and there is no shortage of action. There is no shortage of longeurs either as the characters get on each other's nerves, and out, especially Connie, the least relaxing character in modern fiction.

I don't know whether Richard Everett, best known for co-scripting the "Nellie the Elephant" cartoon series, consciously based his play on Jonson but it has the stamp of Jacobean comedy. All the characters, bar Connie, are chasing money in their own modern

way. Since Angus always seems to have enough of the stuff to bale them out some of the scenes seem overdone.

Francis Matthieson looks amazingly well for a convalescent Angus but, with Sheila Allen as the nagging wife, the bedrock performances are professionally turned. Indeed the acting is spot on and the characters have a disturbing credibility. If only Richard Everett had made up his mind whether this was a comedy or moral tract (false ending, tragic, followed fast on false ending, idyllic, with the audience happy to accept either); if only major plot lines had not disappeared without trace; if only the action was not so clichéd. No doubts about the set designed by Geoffrey Scott, its solid suburban terrace must have looked just like home to the Newbury audience.

Antony Thornecroft

London Philharmonic

FESTIVAL HALL

Any question as to whether Kurt Masur will be returning to London following his appointment to the New York Philharmonic had at least an interim answer last night. An insert in the London Philharmonic's programme announced a pair of concerts for the orchestra's winter season, each featuring the Russian music of which this East German conductor is fast becoming a specialist.

It seems typical of his performance that the first movement should only spring to life in the all-or-nothing cadenza (Donohoe chose the big one). Then in the finale, once his blood was up, Donohoe again met the challenge head on, sparing not an ounce of energy

and shooting Masur a look of desperate impatience as he tried to drive passionately straight through the last climaxes to the end. Not a performance for the faint-hearted.

After the interval, with Masur the dominant personality, Shostakovich's Thirteenth Symphony made up in sustained, cumulative power what it lacks in fire. If the Soviet Union does undergo a radical change, this symphony will stand as a frightening indictment of all that life meant there in the post-Stalin era.

Richard Fairman

Michael Vyner

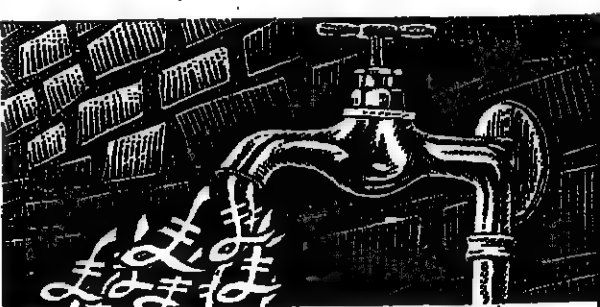
COVENT GARDEN & RADIO 3

Sunday's London Sinfonietta concert at the Royal Opera House was a tribute to Michael Vyner, who died last October at the age of 46. He was for 17 years artistic director of the London Sinfonietta: an orchestra devoted to 20th-century music of all kinds and fashions, played (and programmed) with boldness, authoritative style and total belief. Under Vyner's idiosyncratic, hands-on leadership the Sinfonietta became the most important concert-giving body in London - and the most stimulating, the most horizon-widening, the most essential.

In this regard it is impossible to make exaggerated claims for the orchestra's achievement, or Vyner's role in it. The Sinfonietta commissions and first performances, the roll-call of affectionate tributes in Sunday's programme (by composers from Boulez and Carter to Martini and Holst), and indeed the very composition of Sunday's concert programme are enough to prove the point. He was a man widely loved for his wit, infectious enthusiasm and appetite for artistic adventure: the Sinfonietta was his time was his. He was a last word, however, for Britwistle's *Ritual Fragment*, which seemed to leave the evening with a crowning masterpiece. A conductorless ensemble led by the interventions of a big drum and based on a "continuum" of piano, cello, and double bass is put through a series of orchestral roles that are defined and expanded by the players' exchange of material and actual seating places. It is complicated to describe and awesomely "right" to hear and watch: tough, logical, simply thrilling.

Other new pieces by Henze, Takemitsu, and Gorecki must wait for another occasion for the space they deserve. There must not be a last word, however, for Britwistle's *Ritual Fragment*, which seemed to leave the evening with a crowning masterpiece. A conductorless ensemble led by the interventions of a big drum and based on a "continuum" of piano, cello, and double bass is put through a series of orchestral roles that are defined and expanded by the players' exchange of material and actual seating places. It is complicated to describe and awesomely "right" to hear and watch: tough, logical, simply thrilling.

Max Loppert



WHERE do you go to improve your cashflow?

At Finance 90 we have all the people you'll need to ease your cashflow problems and increase your working capital.

You'll meet factoring companies, invoice discounters, leasing companies. In fact all the expert help you'll need to keep your cash flowing. Isn't it worth investing a day?

For free entry just bring this advertisement along to the registration desk.

BUSINESS & CORPORATE
FINANCE 90
THE NEW YORK CITY FINANCE 90

Sponsored by
The Daily Telegraph

ARTS GUIDE

MUSIC

London

The Philharmonia conducted by Claudio Abbado, with Mstislav Rostropovich (cello). Royal Festival Hall (Tues) (528 8800).

Paris

Gustav Leonhardt (harpsichord). Boehm, Bach, Buxtehude (Wed). Chatelet (4222222).

Brussels

Alban Berg Quartet plays Lutoslawski, Mozart, Stravinsky. Palais des Beaux-Arts (Wed).

Amsterdam

Orlando Quartet with Isabelle van Keulen (viola) and Harro Ruysschaert (cello). Brabants (Wed). Concertgebouw (718 346).

Rome

Il Festival Italiano, with Miroslav Anicic (flute) playing Vivaldi, Forneri, Mercadante and Donizetti (Wed). Teatro Olimpico (283304).

Florence

Maggio Musicale. Myung-Whun Chung conducting Janacek's *Missa Glagolitica* with soprano, Katerina Dymkova, mezzo-soprano Nina Romanova, tenor Vitalij Tarasenko and bass Sergei Butyrinov. Ravel's *Dezhnev* et Choe suite no. 2 and Messiaen's *Les Offrandes Oubliées* (Thurs).

Madrid

Symphony Orchestra of Budapest. David Lively (violin). Antonio Ligeti conducts Bartok (Tues). Auditorio Nacional de Musica (337 01 00).

New York

New York Philharmonic conducted by Yuri Temirkanov with John Lill (piano). Glazunov's *Requiem*, Prokofiev (Tues). Zubin Mehta conducting with Alton Brown (piano). Brabants, Bartok, J.C. Bach (Thurs). Avery Fisher Hall, Lincoln Center (874 6770).

Washington

National Symphony Orchestra conducted by Hans Vonk with William Stock (violin). Ravel, Martinon, Beethoven (Tues); Yuri Temirkanov conducting with Alicia de Larrocha (piano). Weiler, Mozart (Thurs). Kennedy Center Concert Hall (487 4600).

OPERA AND BALLET

London

Royal Opera, Covent Garden. Michael Hammer's staging of *La Cenerentola* (borrowed from the Salzburg Festival) is not well served by the London incarnation. Conducted by Carlo Rizzi.

Paris

Bastille Opera. The newly inaugurated controversial opera house presents Janacek's mystical *Kazka Babuska* in which sensuous love is followed by remorse and guilt and a final tragedy (4001616).

Venice

Teatro la Fenice. Claude d'Anna's production of Verdi's *Ernani* conducted by Donato Remuzzi, with Giovanna Casolla and Renato Bruson (5210151).

Madrid

Teatro Lirico Nacional in Zarzuela. This week's programme includes Tchaikovsky's *Phaeton* conducted by Miguel Angel Gomez Martinez. It is a production of the English National Opera and has a cast led by Yuri Maruyin, Elena Christova and Natalia Troitskaya. Ends May 16 (429 82 25).

Berlin

Opera. *Die lustigen Weiber von Windsor* is a well done repertory performance. Hans Werner Henze's music drama *Das verlorene Meer*, specially composed for Berlin is joyfully welcomed with La Scala. Milan, and will have its world premiere this week produced by Götz Friedrich. Also offered *Der Barbier von Seville* and *Tosca*.

Rome

Opera. Jean Claude Riber's *Don Rameau*, part of the new cycle, was well received when it opened last week with Siegmund Nimsgern, Urban Maiberg, Christian Riedl, Hanna Schwarz, Manfred Schenk and Graham Clark. *Madame Butterfly* returns in Marco Arturo Marelli's wonderful production. Further offered Yousuf Varnos' ballet *Coppelia*.

Munich

Bayerische Staatsoper. *Der Freischütz* features Gabriele Maria Range and Walter Finkbeiner. *Therese* is sung by Ghena Dimitrova and Lando Bartalini. *Der Barbier von Seville* has a first-rate cast led by Lucia Popp, Cornelia Winkler, Leonie Rysanek and Claus H. Ahnges. *Le Nozze di Figaro* stars Lucia Popp, Delores Ziegler, Barbara Bonney and Bernd Weikl.

Frankfurt

Opera. *Otello* stars Rene Kollo in the title role, Frederick Schuchman, Allan Glassman, Helena Dosses and Manfred Schenk. *Rusalka* has a strong cast led by Eva Randova, Manfred Schenk and Eliane Coelho. Schoenberg's rarely played *Moses und Aron* produced by Herbert Wernicke was very successful, when it opened last week with Gerhard Funckh (Moses) and William Cozzani (Aron).

New York

American Ballet Theatre. The 50th anniversary season includes in its first week Mikhail Baryshnikov's *Giselle*, along with the revival of Sir Kenneth MacMillan's *Stravinsky Offerings*, originally commissioned for the 50th anniversary. Ends June 20. Opera House at Lincoln Center (362 9000). New York City Ballet. With a repertory still heavily steeped in Balanchine, the company features a festival of Jerome Robbins' ballets in the middle of a season that lasts till July 1. New York State Opera House, Lincoln Center (870 8770).

OBITUARY

Sir Reginald Goodall

Sir Reginald Goodall, CBE, the conductor, who died on May 5 aged 88, was born in Lincoln in 1901, sang as a chorister in the cathedral, studied at the RCM in London, and spent some time as a student at Munich, Salzburg and Vienna, observed eminent conductors and worked as an accompanist.

In London, he became assistant to Albert Coates and, for the Royal Choral Society, to Sargent. Many years later, after the war, he was to perform a similar service abroad for Furtwängler, Knappertsbusch and Clemens Krauss.

Goodall's big chance came in 1944 when Joan Cross called him to Sadler's Wells. There, in 1945, he conducted the first performance of Britten's *Peter Grimes*, a landmark in British music. Next year he shared with Ansermet the musical direction of Britten's *The Rape of Lucretia* (created at Glyndebourne by what was to become the English Opera Group), and joined the music staff at Covent Garden under Rankl, conducting among other operas *Marion, Fidelio* and *Wozzeck*.

Under the Soliti Régime at Covent Garden, however, Goodall virtually disappeared from view. Happily, his work as répétiteur and coach, little though the public may have been aware of it, brought sterling benefit to a generation of singers and orchestral players.

By the time he conducted a *Parafal* revival for the Royal Opera in 1971, Goodall had become guest conductor for Sadler's Wells, and the RCM course for the ENO at the London Coliseum. The 1968 *Mastersingers* (in English) revealed what some already suspected, that he was a Wagner interpreter of exceptional quality. The ENO *English Ring*, assembled over the intervening years and given in its entirety in the two cycles Goodall conducted in 1973, confirmed this beyond doubt.

He conducted single performances at Covent Garden in 1975 of *Rheingold* and *Wotzeck* and a memorable *Tristan* for the Welsh National Opera at Cardiff in 1979. The effect of his English *Tristan* in London (ENO, 1981) was diminished by indifferent production. Illness forced his withdrawal from the *Parafal* he was preparing with WNO for 1983, though Decca was later able to preserve his performance on record. He was knighted in 1985.

This shy withdrawn, morose-looking man possessed to an extent unrivalled in recent decades the full sense of Wagnerian amplitude. His usually slow speeds worried some listeners (but no doubt some singers) but the true groundswell that eludes many competent interpreters was unmistakably present.

FINANCIAL TIMES

NUMBER ONE SOUTHWARK BRIDGE, LONDON SE1 8HL
Telephone: 071-873 3000 Telex: 922188 Fax: 071-407 5700

Tuesday May 8 1990

The quest for security

IT WAS always clear that tidying up the mess left by the popular revolutions in Eastern Europe would be a formidable task. In winning their freedom and reaffirming their national identities the people of Eastern Europe have, at one and the same time, destroyed the dividing line between West and East, which enabled each camp clearly to identify its potential adversary.

The virtual disintegration of the Warsaw Pact and the impending unification of Germany has even cast doubt in many people's minds on the need to maintain Nato. At the very least, the Atlantic Alliance will have to be thoroughly refurbished if it is to play a useful role in tomorrow's world.

Where the people of Eastern Europe have left off, the diplomats have now stepped in. A bewildering array of meetings, some of them at summit level, has been arranged over the next seven months in a bid to put some order into the confusion. In spite of the different forums in which they are being held, they are all interconnected.

There is little point, for instance, in discussing a new East-West security structure at the scheduled summit of the Conference on Security and Co-operation in Europe (CSCE) at the end of the year unless an agreement has first been reached on reductions of conventional forces. Indeed, a formal link was established between the two by Nato Foreign Ministers at their meeting in Brussels in January.

Nor would the prospects for the OSCE meeting be very bright if no agreement had been reached by the time it took place on the external aspects of German unification, in the so-called "2 plus 4" talks between the two Germanys and the four Second World War allies.

German problem

The problem of Germany is central to all these discussions, as it has been to Nato's policy throughout the 41 years of its existence. Next month's Nato summit is due to discuss the alliance's future military strategy and political role. Yet it cannot make any definitive decisions as long as it remains

unclear whether a united Germany will remain a member of Nato.

The first "2 plus 4" ministerial meeting in Bonn at the week-end brought some encouraging signs of a compromise in the office on this issue. Mr Eduard Shevardnadze, the Soviet Foreign Minister, is no longer holding out for a formal peace treaty with Germany, but is prepared to accept the much simpler and faster procedure of a settlement terminating the rights and responsibilities for Germany of the four victorious allies. Though Mr Shevardnadze officially stuck to his rejection of the Western position that it was up to a united Germany to decide whether it remained a member of Nato, he is reported to have suggested that a decision on the military status of a united Germany could be put off during a transitional period of some 5 years. In other words, it need not be defined before the merger of the two halves of the country takes place.

Free decision

As long as Moscow recognises that a united Germany will be free to make its own decision on Nato membership at the end of this transitional period, this is a solution which should be broadly acceptable to the West. Indeed, it is very much in line with proposals made recently by Mr Hans-Dietrich Genscher, the West German Foreign Minister.

The Western powers, with everything going their way at the moment, must be careful not to push the Russians too far. Mr Shevardnadze's warning that "emotions could boil in our country" with its memories of millions of dead at the hands of Nazi Germany during the Second World War, is clearly not a completely idle threat.

The growing difficulties that Mr Mikhail Gorbachev is facing at home make it all the more important that he is not obliged to swallow terms for German unification which are not acceptable to his domestic audience. The conciliatory noises made by Mr Shevardnadze over the weekend suggest that the West can attain all its objectives, while saving Mr Gorbachev's face at the same time.

A blind spot on gas imports

THE DEPARTMENT of Energy is one of the last bastions of protectionism and central planning in Britain. That is the conclusion which seems to follow from the department's pavlovian reaction to the news that British Gas may wish to import large quantities of Norwegian gas from the mid-1990s.

Mr John Wakeham, Energy Secretary, went out of his way to restate Government policy on gas imports to the House of Commons last Wednesday. "In considering any import proposals," he said, "we shall weigh carefully the availability of competitive UK Continental Shelf gas supplies and the market opportunities open."

In other words, the UK should not allow imports to compete with a quantitatively adequate domestic supply. A Soviet central planner could only nod in accord.

On this issue the Energy Department seems to have remained untouched by one almost universally applauded principle of Government policy during the past decade. Commercial decisions are best made by economic agents, whether companies or individuals, not by Whitehall.

The Government's reaction is particularly unfortunate because, partly thanks to its own actions, competition is edging into the British industrial gas market this year. Between them, the Energy Department, the Monopolies and Mergers Commission and the Office of Gas Supply, the industry regulator, have applied pressure over the past 18 months to rectify the mistake made in leaving British Gas as monopoly controller of the gas market at the time of its privatisation in 1988.

Constraints

By forcing British Gas to publish a fixed schedule of prices for large industrial users, the authorities have constrained the company's ability to keep out competition by abusing its market power. By insisting that British Gas must contract for no more than 90 per cent of gas from new UK fields, they have ensured that potential competitors have access to gas supplies.

These constraints on British Gas bore fruit this year when

between Esso and Shell, became the first concern to sell gas directly to industrial customers using British Gas's pipeline. A handful of other competitors, most of them also North Sea producers, are waiting to follow suit. The new interest in using gas for electricity generation for both commercial and environmental reasons will encourage British Gas's competitors to treat this market seriously.

Competitive market

British Gas's wish to be allowed to import gas from Norway fits into the evolution of this competitive market. It will put pressure on North Sea producers to sell their gas to a wider range of distributors. It will also encourage British Gas's potential competitors to seek cheaper supplies abroad.

While British Gas accepts the Government's argument that there is enough gas in the UK sector of the North Sea to meet the country's immediate needs, it wants to have a large baseload supply from Norway. It does not wish to rely completely on new UK fields, which tend to be relatively small. British Gas is raising these issues now because gas from the Frigg field, the only substantial imports from Norway it has been allowed to make, is in rapid decline.

So far, the Energy Department has not advanced a convincing argument to stop British Gas doing as it wishes. One fear is that large imports of gas could delay the development of more marginal UK fields, but it is wrong-headed to look at this as a penalty to the British economy. On the contrary, gas imports would allow gas users in Britain access to large volumes of cheap Norwegian gas in the short term, while more marginal British fields could be developed once the cost of gas has risen in the medium term.

The Energy Department was falling back last week on an old chestnut: since gas markets overseas are closed, it saw no reason to open up Britain's gas market. A more compelling response to the present, delicately poised situation in Europe would be to use British Gas's wish to import as a lever to hook Britain into the Continental gas grid.

FT writers on hours cuts in Britain and West Germany

More work, less time

On the day last week, Mr John Walsh was ill. A year ago his absence would have significantly hit production at Hives Bearings, his Wolverhampton employer. Last Monday, it did not really matter.

Mr Walsh, 38, one of just nine skilled workers at the plant, had not suddenly become a slacker. Hives's ability to shrug off the effects of employees' absences results from a recent agreement which enables skilled workers to cover fully for colleagues. Such levels of co-operation are comparatively rare and would have been impossible at Hives just a year ago.

The change has helped to raise productivity by 30 per cent in the first three months of this year, say Hives. Partly as a result, the company recently promised its 40 shopfloor employees the phased introduction of a 37-hour week, confident that productivity can be increased.

The harmony at Hives contrasts with the acrimony that has surrounded talks on hours cuts at some other UK companies. Although several large employers, including Rolls-Royce, British Aerospace and Lucas, have agreed 37-hour deals, they have often done so after industrial action, or threats of it.

The pressure of stoppages has inevitably raised the question: have companies bought industrial peace by conceding deals which will depress productivity? To be self-financing, a two hour cut in the 39-hour week has to be accompanied by a 5.1 per cent productivity rise.

Over the past 10 years, productivity growth in UK manufacturing has been about 3.5 per cent a year, according to the Organisation for Economic Co-operation and Development. In order to be strictly self-financing, the hours cuts will have to be compensated by extra gains. How justified, then, are the claims of self-financing deals? The answer is of vital importance to thousands of companies throughout Britain which face increasing pressure to cut hours.

The pressure comes from a group of unionists who have been boosted by what has been a surprisingly effective series of strikes. When they announced last year that they were planning ballots, few thought that they could win majorities in favour of action - let alone obtain anything better than the 37½-hour

weeks they had already been offered in national talks.

In the event the unions have won strike majorities in 14 of the 15 plants where they have balloted manual workers. And, although 37-hour deals have been achieved in less than 200 plants, covering perhaps 100,000 of more than 1m manual workers in engineering, no one doubts that the trend will grow. Still shortages are one factor. If one factory makes its employees work longer hours than another down the road, it will be at a recruitment disadvantage.

A more powerful motivation for companies is the unions' threat to carry on striking until every engineering worker in Britain works 37 hours or less. Some companies feel that a shorter working week is inevitable and that they will benefit by being among the first to introduce it. Darcem, a Darlington components manufacturer, agreed a deal last December even though there was no immediate prospect of a strike.

Mr John Myatt, group personnel manager, says: "We felt we should take the initiative, rather than have an hours deal forced up on us. By giving it earlier we feel we got more co-operation from the workforce."

Unlike the workers affected by most deals, Darcem's 600 manual employees in engineering will not get an immediate reduction in working time. The first hour's reduction will be introduced in December and by then the company says it will have been paid for by such measures as greater team work and more self-inspection.

The trading of hours reductions for changes in specific working practices is a strong feature of the companies' proposed deals. The Rover Group, for example, wants to be the first UK car producer to introduce 7-day-a-week shift working among production employees so that it can satisfy demand for its newly-launched 300 and 400 series cars.

The cost saving advantages of continuous production are such that, together with agreed measures such as increased production line speeds, the 37-hour deal would pay for itself almost immediately.

The confidence of that fact has enabled it to agree an immediate two-hour cut for most workers. Although workers at Rover's Longbridge plant last week voted to reject the proposal, union support should ensure its eventual acceptance, even if in a slightly modified form.

Virtually all other companies are introducing the cuts in stages, usually over several years.

Few companies are looking for measures that could have such a significant impact as Rover's continuous working. The problem for them has been to put together a series of measures which add up to a self-financing package. This has led to complicated negotiations and, in the case of British Aerospace's aircraft arm, lengthy strikes. Examination of Bae's deal at Preston shows that the wait may have been worthwhile.

Like many deals, the Bae Preston agreement makes fuller use of working time by reducing tea breaks and requiring employees to work right up to the end of a shift. Previously, workers would start packing up well before the end-of-day bell. According to Mr Tony McCarthy, personnel director, workers are sticking to the deal. "The culture at Preston is that if they fight you, they fight you hard. When the dispute is over, however, they are with you all the way."

Analysts believe bell-to-bell working and the abolition of a daily 15-minute tea break will pay for perhaps as much as 100 of the 120 minutes by which the employees' week will eventually be cut. The deal has also enabled the company to introduce cashless pay; stagger meal breaks to ensure more productive use of capacity; abolish a series of payments for working in adverse conditions; change shift patterns when required; and further erode job demarcations.

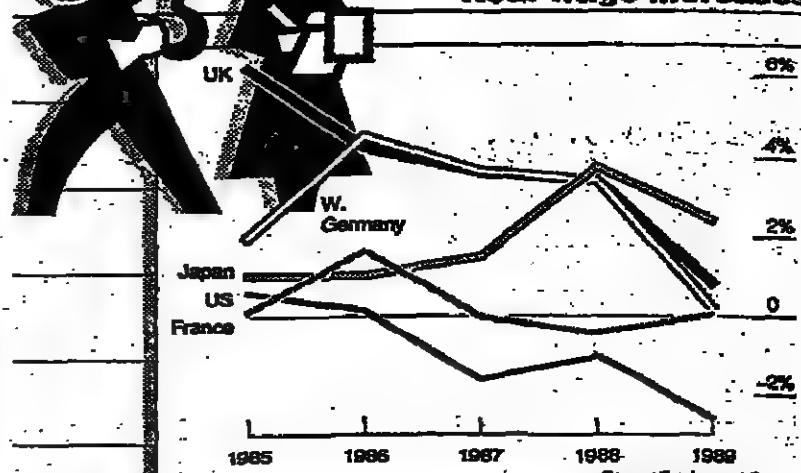
Bae will not say how much it estimates the measures in the Preston deal are worth. However, some analysts believe that the deal will more than cover its costs. The Bae agreement is believed to be one of the more successful arrangements from the management's point of view, but the view in the City is that most, if not all, companies could reach self-financing deals.

Industry's apparent ability to pay for the hours cuts within the deals themselves is not necessarily surprising. After all, the 8.1 per cent productivity improvements needed can be achieved. Unless they can hold pay increases below the rate of inflation - a difficult feat with engineering workers in short supply - companies which have conceded hours cuts face rises in unit wage costs.

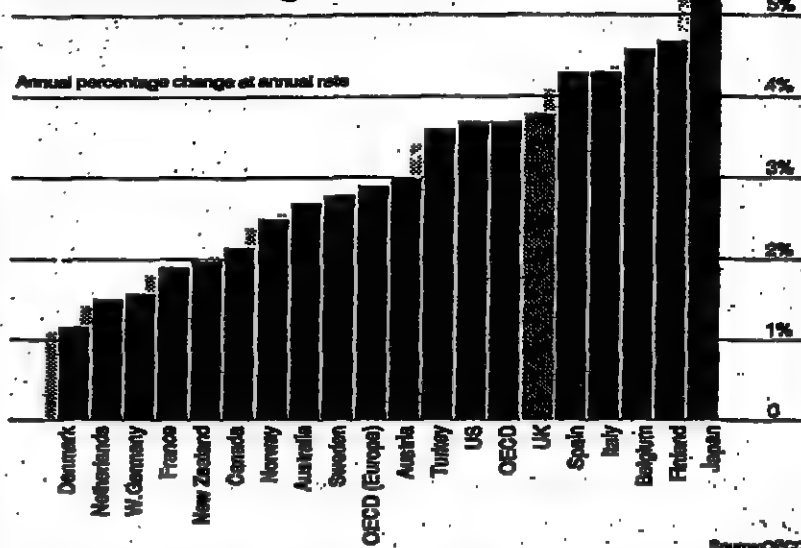
The problem is summed up by Mr Ron Gerrick, chief executive of West



Real wage increases



Labour productivity in manufacturing 1979-87



part of above-inflation pay agreements. Rise in unit wage costs were held down by the productivity gains in this bargaining process.

In many of the current settlements, hours reductions are being negotiated quite separately from pay. This reduces the scope for companies to offset pay rises with other productivity gains. Unless they can hold pay increases below the rate of inflation - a difficult feat with engineering workers in short supply - companies which have conceded hours cuts face rises in unit wage costs.

The problem is summed up by Mr Ron Gerrick, chief executive of West

Group, which has just agreed a 37-hour deal at its Alton factory after a strike threat, and will soon be entering wage talks there. "We have done our best to make the hours deal self-financing but employees also want a big pay rise," he says.

"If we were to concede anything above inflation, there is no way we could keep unit labour costs down. Meanwhile our overseas competitors are enjoying inflation rates considerably lower than our own and they are increasing productivity."

Michael Smith

Showing mettle in Germany

At the end of 1986 most of West Germany's 4m metal and electrical industry workers will start working a 35-hour week. IG Metall, the country's largest trade union for the whole metal industry, is benchmark for organised labour in Germany and around the world - and justified its description as "most powerful union in Europe".

Last week's agreement for the Stuttgart region, which will set a pattern for the whole metal industry, is also a victory for West Germany's consensus-based industrial relations system. It is, after all, more than 11 years since workers there first donned tools in pursuit of the magic 35 hours. German metal industry employers complain that their employees work the shortest hours and are the highest paid in the world. But the long phase-in of the 35-hour week has enabled them to raise productivity steadily to compensate for the shorter hours.

Thanks to their soaring profits and overflowing order books the employers have also had to concede a 4 per cent pay increase over 10 months. But unit labour costs, where Germany

stands in the middle of the international field, are unlikely to rise significantly and the share of wages in national income will probably continue to fall.

The employers have also made some gains on flexibility. Just under 30 per cent of workers in any given plant will still be working a 40-hour week - with correspondingly higher pay. The gradual spread of regular Saturday shifts (favoured mainly by the car industry) is likely to continue as IG Metall failed to win a nationwide ban. But many smaller employers complain that it is more difficult to absorb the cut when working only a single shift system (as 80 per cent of the metal industry does).

The metal industry employers say that their annual working time of 1,642 hours is the lowest in the industrial world and 114 hours below the latest 1,756 hours in Portugal, Greece and Ireland. They had argued that a further reduction in working time should only be negotiated when the difference with the rest of the EC is cut to 80 hours.

IG Metall has turned the argument around and said that since West Germany has the highest productivity of any large country in the EC and, judging by its trade surplus, the most successful industry, it should continue to lead in improving working conditions.

The union has also argued that cutting the working week could help to reduce unemployment - still hovering around 12m - and facing upward pressure from the influx of East Germans and the increase in the number of working women. According to the union about 200,000 jobs were created or saved between 1984 and 1989 as hours fell from 40 to 37 a week.

Most economists would put the figure lower but concede that there is some job creation effect. Employers sometimes admit as much as well. At a recent press conference the steel division of Thyssen said that it had created 1,400 new jobs as a result of recent reductions in working time.

However the employers also argue that in the longer run, reduced working time merely speeds up the replacement of labour with capital. In the short run, they say it can exacerbate skill shortages.

Nevertheless IG Metall's bargaining state of the German metal industry, despite dire predictions from employers over previous cuts in the working week - made a generous deal on pay and hours unavoidable. It might have had to be more generous still if the union had not been weakened by a new law which prevented it closing a few key plants and thus crippling whole industries, as it did in 1984.

Also, although the negotiations continued oddly unaffected by the momentous events in East Germany, the workers' readiness to strike might well have been reduced as a result of political uncertainties surrounding the integration of East Germany.

David Goodhart

Silver lining in the City

■ The City of London, once England's craft centre, only has one silversmith left who makes and repairs his wares in the City itself. Actually it's a she, Sarah Jones.

It is exactly ten years since she opened her shop in Bevington Street as an outlet for her workshop in Old Street, where she works with two assistants. And she tells me that business runs strictly counter to the wider economic cycle.

Despite all the doom and gloom, this year looks like being quite good. Last year was bad, while the year before that was also good even though the City was smarting in the wake of the 1987 market crash.

"Perhaps people are inclined to buy things of lasting worth when times are bad," she says. Her customers are mostly well-heeled City types, many of them middle-aged men evidently buying on an impulse. There is also a liberal sprinkling of yuppies, foreign bankers and, at times, secretaries.

James specialises in ornamental ware with City motifs like dragons, and decorative pieces with a touch of whimsy. She has just done a new set of Wagnerian tableware: a silver goblet with Rhinecladens and a salt cellar depicting the Nibelungen dwarfs for an anniversary exhibition later this month.

Her biggest problem is soaring City rents. Her landlords are the Goldsmiths Company who are rather unhelpfully jacking her rent up by 150 per cent this year because they say demand for retail space in the City is intense. The one consolation is that the price of silver bullion is slack.

Too many words

■ There must be an economic law which can be developed to link the size of a country's

OBSERVER

monetary problems to the amount that is written about them.

Consider the evidence. At one end of the scale there is the UK where the volume of monetary analysis is literally torrential. At the other, monetary malaise is endemic. At the other, take a country like Germany where there is relatively little public debate about monetary policy because everyone knows what they want, and by consensus or consensus, there is monetary stability.

The US fits into a slot somewhere in between, with a slightly less clamorous monetary debate than the UK, and a bit more stability. But the really interesting case is Japan where recent monetary problems have been accompanied by a massive growth in analytical noise.

I have long thought that the UK would benefit by stuffing a few inches into the loaves of monetary analysis. But I suspect that it may be in the British character to prefer lots of lively monetary debate to boring zero inflation. Come to think, what will all those analysts write about when we do finally join the EMS?

Building blocks

■ I have learnt a lot about the construction industry in the last year. My office overlooks a building site where Lloyds Bank have, over that time, filled a deep muddy hole with an office block which has obliterated what little view I had of the Thames and Southwark Cathedral.

In particular I have learnt about what I gather is known in the business as "wallpaper architecture". This is the technique whereby you put up a basic framework of steel and concrete against which you stick, wallpaper style, whatever outward appearance you want the building to have. Pat-



"I hate people who've got 081 'phone numbers."

Indian Palazzo, Regency mansion, Victorian extravaganzas or modern squares and circles. Technology has widened the choice to virtually infinite proportions.

The "wallpaper" for the Lloyds building arrived, literally, by the yard. Lorries rolled up with huge flat slabs of concrete which had been moulded to look like cornices of chiselled stone, complete with windows and lintels already in place. These slabs - 15 feet high and twice as long - were stuck against the framework, which in no time took on the appearance of - well - something.

I have to say that the building is turning out to be less offensive than many in the City, and for that I am grateful. But having witnessed its growth every foot of the way, I know too many of its secrets to be charmed.

Figure it out

■ Financial statistics are only interesting when they illustrate a point. Here are a few: 1. Barclays Bank, the UK's

largest clearing bank, employs more people than the entire UK building society industry put together. The actual figures are Barclays 116,500 and all building societies 50,000. For that matter, Barclays employs more people than both the Royal Air Force (90,000) and the Royal Navy (84,000). What a depressing reminder of the ballast that we carry in our banking system. On the other hand, perhaps we are getting quite good value out of our armed forces.

2. West Germany is the largest importer of financial services in the world. The actual figures are for 1987 which are the latest I have: net imports of \$752bn. Second largest was the US with \$580bn and third Italy with \$408bn.

This sheds an interesting - and not very flattering - sidelight on Germany's economic might. It should also cause people to treat institutions like Deutsche Bank with slightly less awe than they do.

For the record, the UK is by far the largest exporter of financial services with \$384bn, nearly twice as much as its nearest rival, the Cayman Islands.

3. At the official rubble rate of exchange, the Soviet GNP is roughly the same size as that of the US. The CIA estimates it to be half the size of the US. But if the black market rate for the rouble accurately reflects its value, the Soviet GNP is equivalent to that of Belgium. Tough task for Gorbachev.

Farewell 01

■ Chase will doubtless grip London's telephone system today as we wrestle with the switch to 071 and 081. What I still cannot understand is why the entire City had to be given new codes. Why not keep 01 for the centre and just give a new code to the outlying areas?

David Lascelles

New evening flights direct to Madrid.

(With a second ticket free.)

➔ From April 1st 1990, we're extending our existing scheduled service with a direct flight leaving Gatwick at 6.30pm (arriving Madrid at ten to ten ready for a good night's sleep).

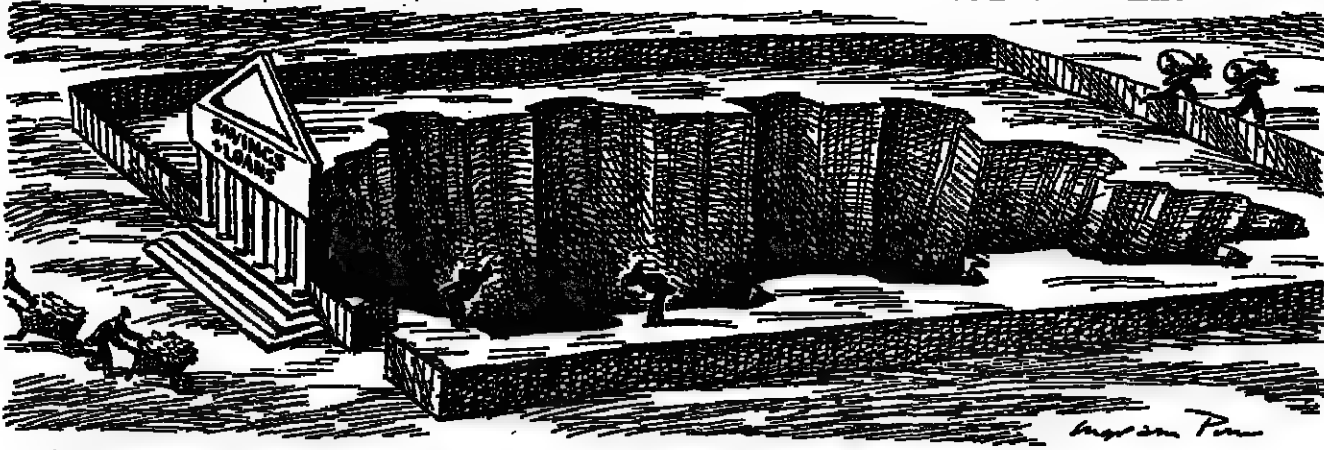
So for the months of April and May, we're making a rather generous offer. Anyone buying a return Class Elite ticket on our new service to Madrid will be given a second ticket free.

The reason for such a generous gesture? We're simply confident that once you've experienced new Class Elite, you won't want to fly any other way.

DAN-AIR
SCHEDULED SERVICES

BERLIN • TRINIA • LISBON • MADRID • MONTPELLIER
NICE • PARIS • TOULOUSE • VIENNA • ZURICH

For tickets and further information contact your travel agent or phone Linkline 0345 100200.



The black hole deepens

Peter Riddell on the escalating cost of the US's thriftless thriffts

President George Bush has at last admitted publicly what many in Washington have been saying for several months: the largest rescue in US financial history is going to cost substantially more than estimated at its launch last summer.

The rumblings over the reorganisation of the savings and loans, or thrift, industry surfaced when Mr Bush announced a new head of the main Federal agency handling the rescue and confirmed that "a significant review is going forward to see what the costs are."

Some numbers are so big that they lose all meaning. But, while hard to grasp, the scale of the thrift rescue has meaning for the quarter or more of the industry already under Federal control or shortly expected to be, for US taxpayers having to foot much of the bill and for financial and property markets having to absorb the impact of the closure and disposal of tens of billions of assets.

Last August the administration put the total cost of taxpayers and industry at \$100bn (\$100.7bn) over 10 years. The General Accounting Office, which works for Congress, put the total at \$257bn, including interest costs, but now it reckons the cost may be as much as \$325bn, and possibly even higher.

This is equivalent to roughly a third of the total US Federal Budget and is higher than current defence spending. Even in inflation-adjusted terms, the rescue costs are likely to be double the post-war Marshall plan for Europe, the Penn Central, Lockheed and Chrysler rescues put together.

The thrift crisis results from the deregulation of the 1980s combined with an increase in Federal insurance of deposits up to \$100,000. This was almost an invitation to gamble. Reckless new owners engaged in a speculative binge in dubious property projects and high yield junk bonds.

The carousel stopped in 1987 as a result of rising interest rates, a shake-out in the junk bond market and falling property prices, especially in Texas and the south-west. Clinton then was found in 80 per cent of the thrifts taken over by Federal authorities last year, three times the rate found in failed commercial banks.

The eight-month long rescue has not gone smoothly. In part this is because a dozen separate agencies have been involved. A new chief regulator running the Office of Thrift Supervision was only confirmed last month by the Senate. The two key figures running the Resolution Trust Corporation, which is handling the rescues, will also have changed by the summer.

Tougher regulation has also reduced the attractions of owning savings and loans and increased the number which may fail to meet the new capital requirements. It is an expanding problem.

By most yardsticks, selling or closing more than 50 thrifts with assets of nearly \$300bn in the next months is a considerable achievement. But it is only a start given that at least 500 to 600 savings and loans with assets of well over \$300bn are

expected to come under Federal control. That does not take into account more than 300 thrifts which are under capitalised under the new rules. The whole industry lost over \$18bn last year, with around 30 per cent of the 2,600 thrifts not under direct Federal control unprofitable.

In an interview with the Financial Times last week, Mr Nicholas Brady, the Treasury Secretary, denied that the rescue was stalled. Noting that the RTC is already bigger than all but one US bank, he says: "you've seen the growth of an enormous enterprise in a very short period and there are some shake-downs... problems which are to be expected. They'll be cured and we'll move on."

There is some justification for Mr Brady's hopes. Mr William Seidman, the retiring head of both the Federal Deposit Insurance Corporation handling commercial banks and the RTC, announced an accelerated programme - what Mr Bush called "the June 30 project" to dispose of close to 141 thrifts in the current quarter. But this will leave many of the least saleable and loss-making assets with the RTC.

Mr William Taylor, since mid-February acting president of the policymaking Oversight Board of the RTC, has agreed more flexible guidelines to assist potentially reversible thrifts and to encourage the purchase of others. President Bush last week strongly backed him to take over from Mr Seidman running the full RTC. Mr Taylor, the Federal Reserve's head of banking supervision, is an experienced regulator who gives an impression of open-mindedness about speeding disposals.

This still leaves the unpalatable question of cost. Mr Brady acknowledges that "it will be more expensive than we originally thought. There is no way we could have foreseen that you have got to get into the details to figure it out." Interest rates have been higher than expected and property prices weaker with the downturn spreading from the south-west up to New England. This raises the immediate cost, and also means that disposal proceeds will be lower if sales are made into a depressed market.

Moreover, if the pace of rescue is accelerated, this will require more money to pay off depositors, shut down thrifts and provide incentives to acquirers. The RTC is, for example, borrowing around \$50bn in working capital in the current quarter for its accelerated rescue programme. This has a big effect on the Treasury's overall borrowing needs and hence on interest rates.

The administration is revising its cost estimate - in practice a fluctuating figure. But sooner, or more likely later, after this November's mid-term elections, the White House and Congress will have to agree on how far the rescue should impinge on the reduction of the Budget deficit and on the provision of tens of billions more in taxpayers' money over the next few years - while at last tackling the deposit insurance system which is at the root of many of the problems.

Sorting out the savings and loan excesses of the 1980s may account for a good slice of the peace dividend of the 1990s from the end of the Cold War. As Mr Seidman warned, on Friday, it is going to be "a long hard job."

FOREIGN AFFAIRS

The right to dispose of themselves

Edward Mortimer re-examines a concept embedded in 20th-century political thought

back to the arrangement which Lenin blessed. In other areas of policy President Gorbachev is seeking to discard Stalin's legacy, while claiming to preserve a hard core of Leninist legitimacy. It seems tragically unnecessary that in this one area he should ignore Leninist precedent and insist on legitimising the result of Stalin's crimes, and doubly cruel that Western commentators should feel entitled to demand these 20 years of Baltic independence as a historical aberration, implying a strange new realpolitik doctrine under which one is entitled to violate treaties provided one does it within a certain timespan (30 years? 50 years?) after their signature.

Yet the Baltic case does illustrate some of the pitfalls inherent in the principle of self-determination. That principle is usually understood to mean allowing the inhabitants of a given territory to decide which state they wish to belong to, or whether they wish to constitute a separate state of their own. But who is to qualify as an inhabitant? How long do you have to have been there, and does it matter how or why you arrived? One reason why the Baltic peoples are in such a hurry to exercise their right of self-determination is that they fear being outnumbered in their own countries if they leave it much longer. In Latvia that point is already very close, with the result that the pro-independence Latvian leadership faces much more serious internal resistance than its Lithuanian counterpart.

It seems tragic that in this one area Gorbachev should ignore Leninist precedent and insist on legitimising Stalin's crimes

usually understood to mean allowing the inhabitants of a given territory to decide which state they wish to belong to, or whether they wish to constitute a separate state of their own. But who is to qualify as an inhabitant? How long do you have to have been there, and does it matter how or why you arrived? One reason why the Baltic peoples are in such a hurry to exercise their right of self-determination is that they fear being outnumbered in their own countries if they leave it much longer. In Latvia that point is already very close, with the result that the pro-independence Latvian leadership faces much more serious internal resistance than its Lithuanian counterpart.

time eventually give the same patina of legitimacy to Israeli settlements in the extra territory occupied in 1967. If so, how much time? If not, why not?

Even more difficult is the delimitation of the territory whose fate is to be decided, in cases where the national minority constitutes a regional or local majority. The talk of secession from Estonia by a region with a Russian-speaking majority evokes a whole string of grisly precedents from Ulster to Katanga to Mayotte. In Africa the possibilities of subdivision are so infinite that in 1994 the Organisation of African Unity decided self-determination should be exercised only within the admittedly small.

arbitrary frontiers inherited from the colonial partitions. Only Somalia, considering itself the core of a historic nation parts of which are now in Djibouti, Kenya and Ethiopia, objected. But in practice Ethiopia did not respect the frontiers of Eritrea, a former Italian colony, nor Morocco those of the Western Sahara, a former Spanish colony. Wars of self-determination in both those territories continue.

Another familiar argument encountered by the Baltic peoples is the claim that they already exercised their right of self-determination (by "opting" to join the Soviet Union in 1940), and should not now cause trouble by reopening the question. Similarly Palestinians are told (by Zionists) that they were offered a state of their own by the UN in 1947 and failed to take it up. Even the Kurds may be held by some to have forfeited their right to self-determination by not asserting it immediately after the collapse of the Ottoman empire, when most of the present frontiers in the Middle East were drawn. The factual premises of such arguments tend to be highly debatable. But even where they are accurate it seems questionable whether one generation can sign away the rights of its descendants in perpetuity.

And then of course there are groups which think of themselves as nations but are not geographically concentrated enough to form a majority in any particular territory. Such was the case, for instance, of Jews before the creation of Israel, of Armenians in the Ottoman empire, of Turks in Cyprus before 1974. The unwritten 20th century law of "one nation, one state, one territory" has driven such groups to huddle together in more or less artificial "homelands", fleeing from their homes elsewhere and expelling or oppressing those of the previous inhabitants who do not belong to their group.

A terrible amount of bloodshed and suffering has been involved in this process, which is still going on in many parts of the world. One cannot help feeling that the unwritten law has been oversold, and that national groups really should be able to enjoy communal autonomy in multinational states without having mutually exclusive control of territory, and yet without massacring each other. Otherwise many more peoples will find, as the Baltians did, that the "right" of self-determination amounts to no more in practice than a right to dispose of oneself.

LETTERS

EMS club lessons the UK can learn

From Mr J. O'Neill

Sir, Martin Wolf's article ("Hurdles for ERM to jump," May 3), was interesting and provocative, but extremely misleading about recent and future developments in relation to ERM and the use of the ECU.

From a historical perspective, it is probably correct to argue that German citizens "must be well aware that a central bank with representatives from Greece, Portugal, Spain, Italy and the UK will not, in practice, have the same devotion to monetary stability as the Bundesbank."

However, as the author implicitly recognises by avoiding mention, Denmark, France and Ireland have, to varying degrees, the same anti-inflation rigour as the Bundesbank in the last few years. Eight years ago, the citizens of these countries Germany, Denmark, France and Ireland would not have expected, in practice, the same devotion to monetary stability as the Bundesbank.

Using the weighted average inflation of EMS members since 1982, and the difference against West Germany, rapid convergence is clearly shown.

Progress at the same rate in the next three years, especially in Italy and Spain, will mean that by 1993 the EEC - excluding the UK - will have broadly similar inflation rates.

While some may think German citizens are sceptical of the anti-inflation credentials of some EMS members, German investors are possibly the largest suppliers of credit to these countries.

Fund managers in Germany, and for that matter Switzerland, are keen to receive the modest interest rate premium in higher-inflation-rate EMS countries while it still lasts.

It is a great shame that UK authorities cannot see the benefits of the EMS club and by 1993, on current form, the UK will have an inflation rate double that of the rest of the EEC.

If there are similar inflation rates and stable EMS parities by 1993, the mass of contracts denominated in national currencies will be settled in a single currency - namely the ECU - with no economic consequences for member countries or individuals.

The author, along with the rest of us poor UK citizens, suffer from living in a country blind to the ways of the future of Europe.

J. O'Neill, Director of Financial Markets Research, Swiss Bank Corporation, 1 High Timber St, EC4

Thrift, sobriety through history

From Mr A.B. Hawkins

Sir, I quite agree with Mr Montgomerie's call for financial rectitude (Letters, May 3). Those who seem to complain about inflation and high interest rates are usually responsible "through their profligate greed."

In this connection it is interesting to note what the historian G.M. Trevelyan had to say in English Social History, first published in 1942.

Writing of restoration England, he states: "The national characteristic of Englishmen, then as now (my italics) was not thrift but insistence on a high standard of life." He then quotes Defoe: "Good husbandry is no English virtue: English labouring people eat and drink, especially the latter, three times as much in value as any sort of foreigners of the same dimensions in the world."

The trouble is that governments dare not intervene for fear of losing votes, and insist on maintaining the fiction that we are a thrifty nation, thus indirectly encouraging the very profligacy which it needs to eliminate.

A.B. Hawkins, 5 Causton Close, Sassenwick, Dorset

Perpetuating US global power

From Mr H.D. Smith

Sir, The interview with Robert Reich ("How not to help US Inc," April 30) often an intriguing insight into what may become a key part of US opinion in future international economic relations.

His attitude is a refreshing change from the jingoistic mercantilists and simplistic free traders, but he appears potentially biased in favour of large wealthy countries like the US. Thus Mr Reich suggests that government encouragement of inward foreign investment should be regulated by a Gatt-style code to reduce the danger of "bidding wars."

Presumably the aim would be to minimise, if not totally eliminate, the use of tax breaks and other forms of direct subsidy while permitting more or less unrestricted public investment in education, training, infrastructure and research and development.

Unfortunately, while this might be more ideologically acceptable to most Americans

Grassroot alternatives to Gatt

From Mr Jonathan Taylor

Sir, Your editorial ("The ERM curbs saved again," May 1), suggests that the Gatt Uruguay Round may resolve the problems of the Common Agricultural Policy through the eventual elimination of trade-distorting farm supports, subsidies and tariffs.

Gradual liberalisation of agricultural trade will indeed be welcome.

But it would be a mistake to underestimate the problems of adjustment which would follow.

The difficulties farmers have in producing what consumers want are familiar but, paradoxically, they may be able to respond more flexibly than the agricultural supply industry.

Agricultural producers can alter cropping patterns, take advantage of farm woodland schemes and set-aside arrangements, and even move into leisure and tourism with the conversion of farm cottages or the creation of a golf course.

This cause will be fought,

Bank lending

From Mr William Rhodes

Sir, The bold paragraph in my article "Reworking the Brady Plan" (FT, May 4) could have been misleading.

To achieve growth, developing countries will continue to need new bank lending, but they must also keep doing their utmost to attract capital from internal savings, foreign investment and official sources.

William R. Rhodes, Citicorp/Citicbank Park Ave, New York

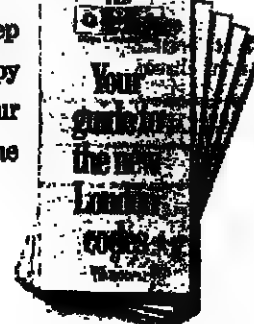
071 or 081. Make Shoreditch you use the new London codes.

On 6 May London's phone code changed. Remember, if you're calling from outside London you must first dial 071 for numbers in inner London or 081 for numbers in outer London. Likewise, when calling between the new code areas in London. You don't need to dial the new codes when calling a number in the same code area.

Our leaflet shows how to convert the old 01 codes to the new 071 and 081 codes. It's available at any Post Office or British Telecom Shop. Be sure to pick up a copy. Or call us free on our Helpline number 0800 800 873.

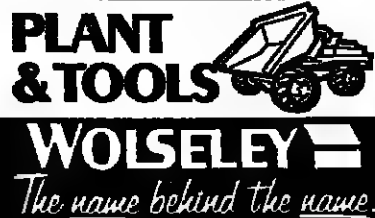
CALL FREE ON 0800 800 873

Keep a copy by your phone



071 or 081. Know London's new codes.

British TELECOM
It's you we answer to



FINANCIAL TIMES

Tuesday May 8 1990



Moscow sidesteps unification row

By David Marsh in Bonn

MUCH HAS CHANGED since Mr Mikhail Gorbachev said in October 1988 that "any attempt to erase the border between the two sovereign German states" could have "catastrophic" consequences.

The weekend "decoupling" by Mr Eduard Shevardnadze, the Soviet Foreign Minister, of the external and the internal aspects of German unification adds up to one more recognition from Moscow that German unity is inevitable.

Mr Shevardnadze's statement, at the weekend "2 plus 4" conference in Bonn, that Germany can unite before the question of alliance membership is cleared has been widely seen as a Soviet face-saving exercise. However, buying time may also bring Moscow increased leverage over German public opinion. One western diplomat in Bonn yesterday commented: "This notion of not deciding things, but deferring them, may not be the best approach."

Mr Helmut Kohl, the West German Chancellor, and Mr Hans-Dietrich Genscher, the Foreign Minister, have both given the announcement a warm welcome. Mr Shevardnadze's initiative certainly added to the harmony of the weekend talks. It also brought some limited credibility to the prospect of all-German elections by the New Year.

Moscow's step to reverse its stance on making clearly over the alliance question a precondition for unity reflects Mr Gorbachev's own problems at home. With his authority under increasing strain, the Soviet President is anxious to be shown to be holding onto part of the Soviet Union's rights and responsibilities over Germany even after the country has been unified.

The Soviet idea is that at least part of these residual rights held by the four victor powers of the Second World War should continue for a post-unification transition period. This could be as short as only two to three years, according to some Bonn officials, although the Russians have suggested informally between five and seven years.

Bush tackles Europe's minefield

The US is cautiously forging new relationships, writes Peter Riddell

THE US is determined to remain closely involved in Europe, but President George Bush's Administration now accepts this will involve a far-reaching overhaul of NATO strategy as well as a gradual political role in the European Community and the 35-nation Conference on Security and Co-operation in Europe (CSCE).

American forces will remain, though in much reduced numbers, and US involvement will continue to be based on the North Atlantic Treaty Organisation, although in a changed form.

The speech by President Bush to a group of graduates of Oklahoma State University last Friday was intended to set the agenda for the coming NATO heads of government summit in London.

President Bush is often accused of being reactive. But, while in the past year he has moved cautiously and gradually in response to the upheavals in Europe and the Soviet Union, he has moved - some say bowed - to necessity.

He has recognised Germany's sensitivities over the siting of nuclear weapons on their soil and responded to congressional pressure for cuts in US forces in Europe.

Last week, in abandoning modernisation of shorter-range land-based nuclear weapons, he also opened the way for early talks on substantial reduction or elimination of all such weapons. That was to remove both a source of division in NATO and one of the Soviet objections to a limited role for the US in Europe.

However, the Administration is worried that the previously central role of NATO is being eroded by disintegration of the Warsaw Pact and by the support of France and East European countries such as Czechoslovakia for a new version of CSCE to provide European security.

Mr Bush recognises these pressures. But he wants to ensure that while NATO changes the collective military structure remains.

Moreover, a nuclear component will be retained alongside reduced conventional forces. This will probably be tactical air-to-surface missiles, which both Washington and London strongly believe should remain on aircraft flying from Germany, not least as a signal to Moscow that a unified Germany will not have its own nuclear arsenal. An unspoken element of the discussion is the US role in balancing a unified Germany.

To reassure Mrs Thatcher, whom he praised as "one of freedom's greatest champions of the last decade," Mr Bush said "militarily significant US forces must remain on the other side of the Atlantic for as long as our allies want and need them."

Nevertheless, a review is under way at the Pentagon which could lead to a 25 per cent cut in the defence budget and abandonment of doctrines such as forward defence.

Some State Department officials have been criticised for Mr Bush and Mr Brent Scowcroft, his national security adviser, have been too

attached to NATO as the prime, and most familiar, institutional link with Europe.

The State Department wants relations to be broader, in effect hedging bets, given German and especially French views about NATO.

Hence Mr James Baker, Secretary of State, has put much emphasis on regular meetings with EC ministers and commissioners.

Mr Bush said on Friday that the alliance needed "to find ways to work more closely with a more vigorous European Community that is rightly asserting its own distinct voice."

While stressing NATO's primacy, Mr Bush has recognised the European interest in CSCE by suggesting that it could be a forum for the new democracies of eastern Europe to join in political dialogue over a more united Europe.

The US has agreed that CSCE - complementing but not competing with NATO - should settle disputes within Europe, set standards for free elections and assist the shift to free market economies.

Many in the Bush Administration are still wary of the CSCE taking a wider security role. For Mr Bush, there is no substitute for NATO as the centre of the alliance and the US role in Europe, even if the number of American forces there is much reduced.

Some State Department officials have been criticised for Mr Bush and Mr Brent Scowcroft, his national security adviser, have been too

During this period, Germany would remain in a state of limited sovereignty. This would be restored fully only after all questions of Germany's military status had been resolved.

West Germany believes that the idea of maintaining some of the war victors' rights over Germany would have some attraction for Britain and France. "Your great country has rescued its big power status for another two to three years," was the sarcastic comment of one Bonn official yesterday.

Side-stepping the question of whether a united Germany should belong to NATO or the Warsaw Pact may, however, simply postpone tricky decisions over which Germany's western allies have long been growing nervous.

A recent opinion poll showed a sizeable minority in West Germany favours an exit from NATO. A majority in East Germany appear to support this goal. Some of Mr Kohl's advisers believe that "latent pacifism" in East Germany will grow in coming months.

If Mr Genscher's reading of history is right - and over the past three years it has been - superpower confrontation in Europe is now permanently over. On this reading, assuming progress on both conventional and nuclear disarmament talks in the next few years, the stage could be set for a "European peace order" in which both NATO and the Warsaw Pact are gradually dismantled.

Mr Genscher appears unlikely to find much sympathy with the much more cautious British and French line that a NATO military presence will remain essential in the western part of the continent to guard against a flare-up in central Europe. Mr Douglas Hurd, the British Foreign Secretary, listed at the weekend the following "integral parts of NATO which need to be preserved": a US presence in western Europe, the integrated command structure, and a "sensible mix of nuclear and conventional weapons."

Those points may not command a consensus in a reunited Germany. Another senior western diplomat, closely involved in the 2 plus 4 talks, yesterday commented that there may have been an element of Machiavellianism behind Mr Shevardnadze's move. "They are betting on a peaceful Europe leading to a point where the question of whether the whole of Germany remains in NATO becomes as relevant as the last decision on whether to modernise the Lance missiles."

Pan Am held advanced partnership negotiations with both Northwest Airlines in the US and KLM Royal Dutch Airlines last year, but failed to clinch a deal. Mr Plaskett said Pan Am was now examining how it could participate with another European airline to capitalise on its strong position in both eastern and western Europe.

Pan Am is the largest US carrier serving eastern Europe. The airline has recently invested about \$20m in ground service improvements and made a further series of asset sales to help shore up the company's teetering balance sheet, which showed a \$62.7m negative net worth at the end of last year.

Mr Plaskett said the situation had started to improve by the end of last year with passenger traffic picking up. However, the airline's financial position deteriorated in the first three months of this year and it reported a sharp increase in first-quarter losses to \$190.7m, from \$151.1m in the first quarter of last year.

Pan Am has reported operating losses in nine out of the past 11 years, and had a net loss of \$336.6m last year on revenues of \$3.61m. The operating loss rose by \$245m to \$394.5m last year from \$149.5m in 1988 because of Lockerbie, according to Mr Plaskett.

Earlier this year, the airline sold and leased back three aircraft, raising \$60m and reducing its debt. It has held talks about selling its internal German service operations. Mr Plaskett suggested the airline would also be prepared to sell its profitable domestic US East Coast shuttle operations, although there were no plans to sell the \$400m-\$450m revenues a year shuttle business.

He is focusing on building up Pan Am's hub in Miami to take advantage of the airline's new route to London via the South American market at the same time as realigning the airline's international and domestic routes to secure its long-term profitability.

"We can be profitable on our own by 1991," he said, "and we can be profitable on our own by 1991." "Our plan is to return the company to profitability and do it by the end of next year," he said.

But financial analysts warned that time was running out for Pan Am which is facing increasingly fierce competition on its traditional North Atlantic and South American routes from other international carriers and especially the aggressively expansionist American Airlines group.

"They're used up right of their nine lives. It's their last chance," said one Wall Street airline analyst.

It also said that while the aircraft were introduced into service in India last year, there was a prolonged strike by Indian Airlines' engineering staff. This could have compounded the difficulties in introducing new aircraft.

Airbus also said that the A-320 could be navigated with much greater accuracy without visual or runway aids than current aircraft in production. High by-pass jet engines equip most, if not all, current jet liners flying in the world, an Airbus official said. He also added that Aeroflot did not train pilots from scratch but converted them from one type of aircraft to another.

Continued from Page 1

aircraft on which training was provided by Aeroflot were based on the CFM-56 engine used in other versions of the A-320 and not on the V-2500 engine which was fitted to the Indian purchase.

The report also says there was inadequate emphasis on flying with the limited aids available in India and on manual approaches and landings. The A-320 crashed at Bangalore on a manual landing.

Though the report put the main responsibility on pilot error, it also said that the response time of the engine had been below expectation.

Airbus last night said it had

not yet seen the report. But it reaffirmed its position that the A-320 crash in India was not due to any deficiency in either the aircraft or the training.

An earlier report by the Indian Civil Aviation Authority suggested that the crash was essentially due to a pilot error.

Airbus said last night that the level and quantity of training provided by its subsidiary, Aeroflot, was in line with what was requested by the client. The client's request has to conform to standards set by the relevant civil aviation authority.

Lockerbie disaster has cost troubled Pan Am up to \$250m

By Paul Betts, Aerospace Correspondent, in London

THE LOCKERBIE disaster has cost Pan Am nearly \$250m in losses and seriously undermined the financially-troubled US airline's recovery efforts, Mr Thomas Plaskett, Pan Am chairman, said in an interview.

Mr Plaskett, who took over as chairman in 1988 and launched the airline's latest recovery programme, conceded that the bombing of the Pan Am 747 over Lockerbie in December 1988 had "a devastating effect" on the airline.

"It had an immediate impact on our revenues which continued through most of last year," he said.

Mr Plaskett disclosed that Pan Am had considered scaling back its European services to become "a substantially different airline" after the tragedy. But the airline decided to persevere with its original recovery programme.

He acknowledged he was looking for a partner to help maximise the value of the name Pan Am and the airline's international route system. "But I have never said Pan Am needs a merger partner to survive."

Pan Am held advanced partnership negotiations with both Northwest Airlines in the US and KLM Royal Dutch Airlines last year, but failed to clinch a deal. Mr Plaskett said Pan Am was now examining how it could participate with another European airline to capitalise on its strong position in both eastern and western Europe.

Pan Am is the largest US carrier serving eastern Europe. The airline has recently invested about \$20m in ground service improvements and made a further series of asset sales to help shore up the company's teetering balance sheet, which showed a \$62.7m negative net worth at the end of last year.

Mr Plaskett said the situation had started to improve by the end of last year with passenger traffic picking up. However, the airline's financial position deteriorated in the first three months of this year and it reported a sharp increase in first-quarter losses to \$190.7m, from \$151.1m in the first quarter of last year.

Pan Am has reported operating losses in nine out of the past 11 years, and had a net loss of \$336.6m last year on revenues of \$3.61m. The operating loss rose by \$245m to \$394.5m last year from \$149.5m in 1988 because of Lockerbie, according to Mr Plaskett.

Earlier this year, the airline sold and leased back three aircraft, raising \$60m and reducing its debt. It has held talks about selling its internal German service operations. Mr Plaskett suggested the airline would also be prepared to sell its profitable domestic US East Coast shuttle operations, although there were no plans to sell the \$400m-\$450m revenues a year shuttle business.

He is focusing on building up Pan Am's hub in Miami to take advantage of the airline's new route to London via the South American market at the same time as realigning the airline's international and domestic routes to secure its long-term profitability.

"We can be profitable on our own by 1991," he said, "and we can be profitable on our own by 1991." "Our plan is to return the company to profitability and do it by the end of next year," he said.

But financial analysts warned that time was running out for Pan Am which is facing increasingly fierce competition on its traditional North Atlantic and South American routes from other international carriers and especially the aggressively expansionist American Airlines group.

"They're used up right of their nine lives. It's their last chance," said one Wall Street airline analyst.

It also said that while the aircraft were introduced into service in India last year, there was a prolonged strike by Indian Airlines' engineering staff. This could have compounded the difficulties in introducing new aircraft.

Airbus also said that the A-320 could be navigated with much greater accuracy without visual or runway aids than current aircraft in production. High by-pass jet engines equip most, if not all, current jet liners flying in the world, an Airbus official said. He also added that Aeroflot did not train pilots from scratch but converted them from one type of aircraft to another.

Continued from Page 1

aircraft on which training was provided by Aeroflot were based on the CFM-56 engine used in other versions of the A-320 and not on the V-2500 engine which was fitted to the Indian purchase.

The report also says there was inadequate emphasis on flying with the limited aids available in India and on manual approaches and landings. The A-320 crashed at Bangalore on a manual landing.

Though the report put the main responsibility on pilot error, it also said that the response time of the engine had been below expectation.

Airbus last night said it had

Giving weight to European unity

THE gradual progress towards European monetary and political union raises some interesting questions for fund managers.

Currently the benchmark figure for UK funds' international investment is 27 per cent of the portfolio, a figure derived from trade flows. Within that, the proportion in other European Community countries (based on market capitalisations) is around 4% per cent. But as US fund manager GMO Woolley points out, in a united Europe there would be no real difference between investing in UK and European assets.

Keeping the bulk of one's assets in the UK would then be about as sensible as confining one's UK investments today to companies south of Watford. It would be more logical for fund managers to allocate both the current UK weighting (67 per cent) and the current EC weighting (4% per cent) to overall EC investment. Within that, further benchmarks would be set on a market capitalisation basis. Thus, on current values, the UK's weighting would shrink to 24 per cent and the rest of the EC would increase to 37 per cent.

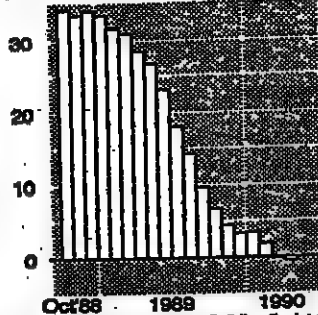
Obviously, complete European unity, the extreme case but as the process continues, the argument for increasing EC weighting strengthens. The average percentage now invested by UK pension funds elsewhere in the EC is around 8 per cent. But GMO Woolley argues that investors have probably made a tactical decision to go overweight in other European markets, because of German unity and the collapse of communism, rather than the strategic choice to raise the existing benchmark. If a more sensible yardstick for investment in a reshaped EC were, say, 10 per cent, then UK investors could have more buying to do.

One argument is that asset allocation should be based on patterns of consumption, with the proportion of overseas investment matching the proportion of imports in the UK consumer's shopping basket. By itself, that would imply a sharp increase in EC weighting of 10-11 per cent, and as EC trade flows increase, so will the benchmark. In theory, all this should have no impact on relative market prices, since European pension funds will rearrange their portfolios to increase their investments in the UK.

However, there are problems in increasing investment in Europe. By comparison with the UK, publicly quoted com-

House Prices

Annual inflation (%)



Source: Halifax Building Society

ries play a relatively small part in the other big European economies. The relative underdevelopment of the smaller stock markets may also inhibit some investors, and the system of corporate cross-holdings may not appeal to UK institutions used to accountable management. It could be a hard slog to persuade UK pension funds to give up their favourite British blue chips. Over the last twenty years, EC investment has underperformed domestic investment in sterling. Domestic investment just under a 10 per cent annual total return against 16 per cent in the UK.

In addition, UK companies already offer built-in diversification, with around 45 per cent of the earnings of FTSE 100 companies coming from overseas. However, the quality of such earnings may be rather lower than a direct investment in the country concerned. It seems a good bet that in ten years time pension funds will have a greater percentage of their portfolios in the EC.

Retail demand

The steady stream of corporate casualties in property, retailing, and now the leisure sector, gives the impression of a UK economy which is buckling under the strain of 15 per cent base rates. Similarly, last week's data from the Society of Motor Manufacturers and Traders - new car sales down 5.5 per cent and commercial vehicles sales down 12.7 per cent in the first four months of 1990 - add weight to the argument that high interest rates are finally beginning to bite.

However, the news over the last fortnight from the UK mortgage market has been far less bleak. Despite record real interest rates, demand for mortgages remains surprisingly robust. In the first quarter of 1990, the number of mortgage loans made by banks and building societies was 10 per cent higher than the year

before and gross advances rose by around a third to \$15.2bn. Admittedly, the figures were down on the previous couple of quarters but they raise serious doubt about estimates that overall UK gross mortgage advances would fall by 15 per cent in 1990.

The Halifax House Price index recorded its first annual fall last month, but fears of a 10 per cent drop in UK house prices this year are almost certainly far too bearish now. Meanwhile, at time buyers - one of the best indicators of consumer confidence - continue to show a high level of interest. All this should be good news for the hardpressed house builders over the longer term, provided they are not too highly leveraged. However, it must be rather worrying for the authorities, since it shows that the initial shock of high interest rates, which resulted in the number of loans made by the banks and building societies falling by more than a quarter last year, has worked off.

Soft commodities

The fall in the oil price following Opec's latest attempt to stich up a compromise does not mean that the external threats to UK inflation have entirely disappeared. BZW's soft commodities index - covering foodstuffs and fibres - rose by 8.2 per cent in sterling terms in March alone, having previously touched a five year low. There has been a strong rebound in the price of cocoa and wheat oil prices have recovered from a slump. Sugar prices have been strong for some time, now averaging around double their level in 1987.

It is possible that the world is at a turning point in the soft commodity price cycle, which has been depressed for much of the last decade. The Reuters Commodity Index has fallen 30 per cent in real terms since 1980. Commodity analysts tend to concentrate on oil and precious metals, but in the case of inflation, food and textile prices are probably more important.

Whatever the merits of the global warming argument, there have certainly been erratic weather patterns of late which have caused price spikes like the chili-industry rise in US orange juice prices earlier this year. Add in demand for food from liberated Eastern Europe and doubts about the prospects of a new "green revolution" and the medium term outlook for soft commodity prices looks remarkably bullish.

IMF dispute resolved

Continued from Page 1

Japan to second place in the IMF while France, the previous number four, wanted to increase its quota from 5 per cent to at least level with Britain.

Under the outline agreement with France, Britain will loan around half a percentage point of its quota to France to ensure that the two countries carry equal responsibilities and voting rights in the Fund.

If, in future quota reviews, Britain's share of the IMF falls below that of France because of changes in the two countries' economic weight, France will lend part of its quota to Britain to keep the two countries in joint fourth place.

The agreement will mean that Britain falls from second place in the Fund behind the US to joint number four with France.

Japan will move up from fifth to share joint second position with West Germany, the previous number three.

These countries, constituting the IMF's "big five" shareholders, will continue to enjoy certain privileges such as their own executive directors.

However, much remains to be settled before the IMF will know the final shape of its quota increase.

Yesterday's meeting of the Interim Committee witnessed a sharp division of views between representatives of the industrialised and developing countries over US insistence that an agreement on quotas should be linked with a solution of the \$4bn of arrears owed to the IMF by a handful of poor member countries.

The 37 countries rallied to the US viewpoint that a strengthening of the IMF's strategy for dealing with members in arrears should be "an integral part of the review" of quotas.

The US plan involves a new provision for suspending certain rights of recalcitrant members.

Latvians elect Premier

Continued from Page 1

Yesterday's military demonstration came at 8 a.m., the height of the morning rush hour. Although ostensibly a rehearsal for tomorrow's military parade, it was held at the most disruptive and obvious moment.

Latvians believe that several thousands reinforcements, including paratroopers, have been dispatched into the republic for the parade. However the Popular Front is urging its followers simply to ignore the event.

In spite of the heavy sabre-rattling by the Red Army in Latvia, the republic's parliament seems determined to continue along a similar path to Lithuania, which is now under economic blockade from Moscow.

In Moscow, Mr Gorbachev indicated that his hard-line response to nationalist demands is unchanged, warning Soviet military veterans against "forces that would like

to use the atmosphere of democracy, glasnost and freedom to implement their futuristic plans, including separatist plans."

He denounced such aims as an "irresponsible policy, leading to deadlock," according to Tass, the official news agency.

At the same time, it was announced that Latvia's powerful Russian-speaking industrial workforce will stage a political strike and civil disobedience campaign on May 15, underlining the economic muscle of non-Latvians in the republic.

The call for a strike and civil disobedience by the United Council of Latvian work collectives could be more of a threat, because Russian-speaking workers dominate the republic's big factories. On the other hand, as most are closely linked to the rest of the Soviet economy, a strike there could be counter-productive in causing disruption throughout the USSR.

Indian Airlines 'not ready for Airbus'

Continued from Page 1

aircraft on which training was provided by Aeroflot were based on the CFM-56 engine used in other versions of the A-320 and not on the V-2500 engine which was fitted to the Indian purchase.

The report also says there was inadequate emphasis on flying with the limited aids available in India and on manual approaches and landings. The A-320 crashed at Bangalore on a manual landing.

Though the report put the main responsibility on pilot error, it also said that the response time of the engine had been below expectation.

not yet seen the report. But it reaffirmed its position that the A-320 crash in India was not due to any deficiency in either the aircraft or the training.

An earlier report by the Indian Civil Aviation Authority suggested that the crash was essentially due to a pilot error.

Airbus said last night that the level and quantity of training provided by its subsidiary, Aeroflot, was in line with what was requested by the client. The client's request has to conform to standards set by the relevant civil aviation authority.

It also said that while the aircraft were introduced into service in India last year, there was a prolonged strike by Indian Airlines' engineering staff. This could have compounded the difficulties in introducing new aircraft.

Airbus also said that the A-320 could be navigated with much greater accuracy without visual or runway aids than current aircraft in production. High by-pass jet engines equip most, if not all, current jet liners flying in the world, an Airbus official said. He also added that Aeroflot did not train pilots from scratch but converted them from one type of aircraft to another.

Continued from Page 1

aircraft on which training was provided by Aeroflot were based on the CFM-56 engine used in other versions of the A-320 and not on the V-2500 engine which was fitted to the Indian purchase.

The report also says there was inadequate emphasis on flying with the limited aids available in India and on manual approaches and landings. The A-320 crashed at Bangalore on a manual landing.

Though the report put the main responsibility on pilot error, it also said that the response time of the engine had been below expectation.

NEWS REVIEW

BUSINESS

British forces broadcast update

A Ferranti International Computer Systems, Poynton, has won a contract as part of a programme to refurbish the radio and television communication service forces in Germany.

Under the contract, which was awarded by the Services Section of the Ministry of Defence, Ferranti International will carry out a retrofit programme to replace the Travelling Wave Tube (TWT) amplifiers in the terrestrial microwave radio relay equipment.

SSVC operates worldwide radio and television broadcasting services on behalf of the Ministry of Defence.

BP satcomms

Ferranti Computer Systems has received the go-ahead from BP to proceed with the integration systems testing of the most highly advanced satellite communications system to go into service in the North Sea.

This is the latest milestone in the complex project which will provide an off-platform telecommunications destined for the new Miller field development.

Briefly...

The Voice Systems Group of Ferranti Business Communications announces the launch of the VM20001, a PC based voice mail system, with an entry level price in the region of £10,000.

The Ministry of Defence has awarded a contract to Ferranti International for microwave subsystems for the Royal Navy's satellite communication terminals.

ADVERTISEMENT

PROCESS MANAGEMENT

Flexible integration

Centralised information, the ability to integrate a plant, manufacturing systems and access to plant data from any control station has enabled Ferranti Computer Systems to win an order from organic chemicals specialists Hickson and Welch against considerable competition.

Ferranti Computer Systems is managing the design, installation and commissioning for Hickson and Welch whose business centres around the manufacture, to exacting standards, of specialty chemicals.

The complex new plants, at Cuddesford, West Yorkshire, will be co-ordinated through the Ferranti PMS-based systems.

TELECOMMUNICATIONS

Room service

Hotels have become aware that many guests want the advanced facilities and ease of use of a sophisticated telecommunications system when they are staying away from business, as well as in their own office.

Recognising these demands Ferranti Business Communications announces a special software package for its OMNI range of digital PBXs for hotels.

Advanced features for hotel management include: call accounting, emergency phones, room status indication and staff paging. For guests the new hotel package includes do not disturb, room to room calling and room related numbering, full

itemised print-out of calls, message waiting and automatic morning calls. Ferranti Business Communications offers a high level of support and has extensive expertise in wiring out hotel facilities taking special care over top quality appearance of wiring in rooms and offices. The company also recognises the particular needs of the hotel market and pays special attention to the provision of multiple sockets in a restaurant area to allow calls to be taken by guests while dining. The 24 hour nature of the hotel trade is reflected in the full 24 hour maintenance cover from local service centres up and down the country.

FERRANTI INTERNATIONAL

WORLDWIDE WEATHER

City	Temp	Wind	Cloud	City	Temp	Wind	Cloud
Abisko	2	10	100	London	12	10	100
Alaska	1						

INTERNATIONAL CAPITAL MARKETS

EUROCREDITS

Medium-sized deals lead a quiet week

THE rash of official holidays restricted new lending activity last week, with most syndicate officials remarking on the relatively quiet tone. Despite this, there was no shortage of commitment on a variety of deals, reflecting this year's largely unheralded increase in medium-sized transactions.

One leading US bank said that so far this year its volume of moderate, but unspectacular deals was significantly higher than during the equivalent period in 1989. The difference this year over last has been the relative absence of large, public transactions.

After a bidding competition between several banks, a \$200m two-tranche revolving credit facility was launched into syndication by Deutsche Bank Luxembourg (DBL) for Akor, the Norwegian cement and offshore products group. DBL declined to elaborate on the facility ahead of the completion of syndication. However, it is understood the deal consists of a \$70m five-year revolving facility paying a margin of 22½ basis points over London interbank offered rate, with a ¼ per cent commitment fee. This tranche will become working capital.

In addition, a \$100m syndicated guaranteed facility which will be fully drawn carries a 20 basis point margin on the amount guaranteed. The guarantee provision will be issued by the underwriting consortium and used as collateral for a loan from Akor's parent, the Norwegian export credit body. The loan is partial financing for Akor's recent acquisition of an increased

holding in Compania Valenciana de Cementos Portland (CVCP), Spain's third largest cement producer, following a long battle for control with Banco Espanol de Credito (Banesto). Late in March, Banesto sold its 31.9 per cent stake in Valenciana, after Akor had raised its holding to 34.9 per cent.

Up-front fees are 7½ basis points for a \$15m co-lead management position, 5 basis points for a \$10m management role and 2½ basis points for participants taking \$5m. These fees are divided between the two tranches in a ratio of 35 to 65. Opinions varied, with some banks saying the pricing looked reasonable and others commenting that for a company in a turnaround situation the pricing seemed fine. Akor returned good results last year after a poor 1988, and was seen as a difficult credit to judge.

Another credit that divided opinion was Mecca Leisure, the UK leisure group, which has a one-year £205m revolving credit facility in the market via NatWest. The facility is fully underwritten by Midland, Barclays, Swiss Bank Corporation and Banque Bruxelles Lambert. NatWest would not comment on the margin amid speculation that it might be as high as 75 basis points, way above Mecca's previous borrowing.

Rival syndicate officials said such a margin would raise questions about both the company and UK leisure in general, and that they would be watching the deal's progress with interest.

Manufacturers Hanover said it had successfully completed an eight-year term loan for Banque Generale du Commerce, the small French bank owned by Cassa Risparmio di Roma. The loan, which carried a split margin averaging 22½ basis points, was increased from FF500m to FF600m. Fees were not disclosed.

J.P. Morgan was thought to be in the market with a facility for Republic of Turkey, but no details were available.

Chase Investment Bank said it had won the mandate for a \$100m five-year revolving credit for Banco di Napoli Luxembourg and would be starting syndication next week.

Andrew Freeman

French bonds emerge as pillars of stability

THE FRENCH Government bond market has emerged this year as a pillar of stability amid the turmoil in the European fixed income sector.

As a Socialist Prime Minister in France pursues policies more monetarist than his Conservative counterpart in London or even Washington, French government debt has established itself as a part of many international investors' portfolios.

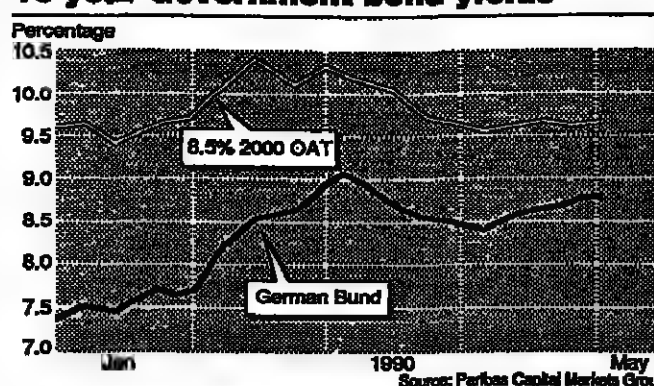
French OATs have put in a resilient performance against German 10-year bonds this year as the yield spread between the two markets has narrowed to historically low levels. What's more, much international investor interest has switched out of the German market into France as the confidence about the French economy picks up.

Uncertainty over the economy and German reunification continues to hang over yields in the 10-year sector. Last week's sharp fall in Bund yields - from 8.81 per cent to 8.64 per cent on Friday - is no indication of a long-term recovery in the market.

Buyers of bonds have been nervous for some months about the effects that German monetary union would have on the country's level of inflation. This hostile attitude towards the market has seen a sell-off of bonds on each revelation about currency union.

The Bundesbank's ambivalence about a one-for-one exchange rate between East German and West German

10 year Government bond yields



Source: Paribas Capital Markets Group

marks is well known. It fears the inflationary impact and, though the bank has tried to allay fears about a rise in the country's 2.7 per cent inflation rate, many analysts are predicting it will have to raise interest rates this summer.

The prospect of a rise in German interest rates is set against a concerted effort in Paris to cut rates. The French central bank cut the rate at which it offers funds to the market by 25 basis points twice last month - the first time since August 1988.

The latest cut took the intervention rate to 9½ per cent after the French trade deficit came in at FF658m for March - well below market predictions and showing that France posted a trade surplus with its European Community partners for the first time. The political significance of Paris's reduc-

tion in the intervention rate was highlighted by its timing to coincide with the EC summit in Dublin.

In fact, Mr Pierre Bergevoet, the French finance minister, effectively declared France's independence from German monetary policy when he said recently that if rates were to move higher in Germany it would be for purely domestic reasons and would not warrant a rate move in France. But the Banque de France would have to watch a narrowing of the interest rate differential with care since it could work against the Government's policy of a strong franc.

Although the D-Mark was buoyed late last week as some enthusiasm returned to the German markets, the French franc has been a much stronger member of the European Monetary System in recent weeks. The discipline imposed

on the French Government by its membership of the EMS has fostered confidence among the international investment community about Paris's commitment to keep inflation low.

The relative performance of the German and French bond markets is shown up clearly in the spread between 10-year Bunds and OATs. This spread was at 200 basis points at the beginning of the year and has narrowed since to around 80. Some optimistic forecasts have shown the spread disappearing by the end of the year.

International investors - even though they own only 20 per cent of French fixed income securities - are paying more attention to the French market. The Government has streamlined its debt in the last six years to provide an array of large liquid benchmarks and its stock of securities is growing in a controlled way.

At the same time, the Eurofranc sector is seeing the establishment of several large benchmark issues which should entice more foreign investors into the sector. Recent bond issues of FF1bn for the World Bank - maturing in seven years - and a 10-year issue of another FF1bn for the Caisse Nationale de Telecommunications have provided some much-needed liquidity for the sector.

While the market should see continuing smaller issues such as last week's FF100m bonds for Compagnie Bancaire, international investors are looking for about another five large

benchmark deals for needed liquidity.

International investors have previously steered away from the Eurofranc sector because they believed it was controlled by purely domestic players. However, investors in Japan and Switzerland have been strong buyers of the World Bank bonds as well as the fimbly issue of FF1.25bn in bonds for the French national railway, SNCF.

The yield pick-up in Eurofranc issues over the relevant government bond has narrowed amid the strong performance of the Government sector. This has seen the recent SNCF issue, for instance, coming to market at a spread of 38 basis points over the OAT, 10 basis points below the spread offered by the World Bank several weeks earlier. The establishment of the French futures exchange, the Matif, as a liquid market has further encouraged foreign participation in the French market. The exchange's national 10-year bond futures contract regularly trades some 60,000 lots a day.

However, the French market should not be regarded with undimmed enthusiasm. "The West German market may be having a hiccup, but we don't see the Bundesbank losing its central role for fighting inflation in Europe," says Mr Bob Tyley, economist at Paribas Capital Markets. Investors may still look to Germany for better long-term prospects.

Deborah Hargreaves

Cedel chief seeks more links with Euro-clear

By Andrew Freeman

THE newly appointed chairman of the Euro-market clearing house Cedel, Mr Hans Angermueller, identified improved links with Euro-clear as a priority in a statement following Cedel's annual general meeting on Friday.

Mr Angermueller said that the 1989 agreement on a connecting electronic bridge with Euro-clear, the larger of the two international securities settlement and clearing organisations, had to be reopened with a view to eliminating inefficiencies caused by differing processing times.

"It is in the interests of the market that we address these fundamental problems," he said, adding that Cedel's willingness to accept more frequent exchange of information files as well as neutral arbitration from the Association of International Bond Dealers had been rebuffed by stop-gap proposals from Euro-clear.

Cedel announced record annual results. Operating profits in 1989 were \$11.7m, while after-tax profits were \$4.3m. Client numbers, transaction volumes and securities held in custody all reached new highs. The board approved a 10 per cent bonus dividend.

EUROMARKET TURNOVER (\$m)

Primary Market	1989	1990	1991	1992
US\$	228.3	228.3	228.3	228.3
DM	102.2	102.2	102.2	102.2
FF	1,228.3	1,228.3	1,228.3	1,228.3
Other	1,228.3	1,228.3	1,228.3	1,228.3
Secondary Market	1,228.3	1,228.3	1,228.3	1,228.3
US\$	1,228.3	1,228.3	1,228.3	1,228.3
DM	1,228.3	1,228.3	1,228.3	1,228.3
FF	1,228.3	1,228.3	1,228.3	1,228.3
Other	1,228.3	1,228.3	1,228.3	1,228.3

Week to May 5, 1990

Source: AIB

NEW INTERNATIONAL BOND ISSUES

Borrowers	Amount m.	Maturity	Av. life years	Coupon %	Price	Book runner	Offer yield %	Borrowers	Amount m.	Maturity	Av. life years	Coupon %	Price	Book runner	Offer yield %
US DOLLARS															
Sarwa Singapore Ltd.†	40	1998	8	(1)	100.10	Sarwa Bank Int.Ltd.	-	BOI	200	1997	7	10	(4)	Banco Di Roma	-
Mitsubishi OI(UK)††(c)(d)	6	1992	2	11	101½	Mitsubishi Finance Int.	10.340	FINMERI MARROCA	205	1992	2	14	100.90	Bankers Trust Int.	13.467
Mitsubishi OI(UK)††(c)(d)	6	1991	1	(9)	100%	Mitsubishi Finance Int.	9.188	Stapbank	206	1992	2	14	100.90	Bankers Trust Int.	13.467
GE Capital Corp.†(f)	200	1994	4	9½	101½	Kidder Peabody Inc.	-								
CANADIAN DOLLARS															
World Bank	150	1996	8	18½	101½	BJI Int.	12.790	Banque Nationale de Paris	10bn	1996	8	(g)	101½	J.P. Morgan Sec.Ltd.	-
AUSTRALIAN DOLLARS															
Deutsche Bk.Australia†(a)	80	1993	5	14½	100%	Deutsche Bk.Cap.Mkts.	14.244	STERLING							
Cwealth Bk.Australia†	100	1993	5	15½	102	Hambros Bank	14.628	Relocation Funding Not††	80	1994	4	(h)	-	Commerzbank	-
								Woodwick	80	1992	2	15½	101½	Deutsche Bk.Cap.Mkts.	14.810
D-MARKS															
Deutsche Bk.Australia†(a)	80	1993	5	14½	100%	Deutsche Bk.Cap.Mkts.	14.244	LUXEMBOURG FRANCS							
Deutsche Bk.Australia†(a)	100	1993	5	15½	102	Hambros Bank	14.628	Banco Overseas††(i)	300	1998	3	10½	101.85	Bankers UCL	9.890
AUSTRIAN SELLING															
Republic of Austria††(m)	30n	1998	8	(n)	100.10	Deutsche Bk.Cap.Mkts.	-								
Other															
Republic of Austria††(m)	30n	1998	8	(n)	100.10	Deutsche Bk.Cap.Mkts.	-								
FRENCH FRANCS															
Compagnie Bancaire†(l)	600	1998	3	10½	101.16	CCF	8.809								

Sanwa International Limited, 1 Undershaft, London EC3A 8BR
Tel: 071-623 7991

INTERNATIONAL CAPITAL MARKETS

US MONEY AND CREDIT

Job data throw spanner in the works

HAVE US interest rates peaked, at least for the moment? The consensus on Wall Street appears to be that they have, in the wake of last Friday's worse than expected April employment figures, which showed a rise of 64,000, well above the 40,000 forecast of an increase of nearly 400,000. The employment data, suggesting a weakness in the US economy that contradicted earlier indicators, produced an immediate rally, pushing the price of the 8.5 per cent 30-year Treasury bond up by 1 1/2 points and causing the yield to tumble to 8.35 per cent. The bond market long bond closed a full two points higher on the week.

The employment data showed job levels would have declined had it not been for the deployment of 80,000 census workers. The data also included a 5.4 per cent unemployment level, the highest in 15 months.

The result of all this was to throw a macroeconomic spanner into the forecasts, which suggested the US economy was picking up steam. Bond market gurus quickly whipped out their calculators and began altering their models, but two messages are now abundantly clear:

• The April unemployment

figures have vanquished the market's concern about any likely tightening of monetary policy at next week's meeting of the Federal Reserve's Open Market Committee (FOMC).

• The notion of a long bond yield above 9 per cent - the level enjoyed from April 26 until last Thursday - must be forgotten for a while. Estimates are for a range between 8.5 per cent and 9 per cent over the next month or two.

Since the 9 per cent yield is gone for the moment, attention will focus on this week's auction of \$30.5bn of Treasury securities, beginning with today's auction of \$10.5bn of three-year notes.

Although the consensus view is that Japanese institutions will take up around a quarter of the total Treasury Bills on offer this week, uncertainty surrounds the enthusiasm that is likely from US retail buyers.

After last Friday's rally the long bond was off 1/4 of a point yesterday morning, but the sight of the market backing off slightly ahead of a three-day auction is no surprise.

Analysts say that a yield of 8.5 per cent would still attract the retail crowd, especially as there is thought to be a fair amount of cash in the pockets of those investors who missed

the 9 per cent yield.

The change in sentiment about the economy triggered by last Friday's employment figures was dramatic. Earlier last week inflation was thought likely to take off and GNP growth expected to stay above 2 per cent; now the forecasters reckon inflation will stay within a 4.5 per cent to 5 per cent range and speak of a low-growth channel of 1 per cent to 2 per cent on the GNP side.

The bond market, in a distinctly half-hearted mood until last Friday, had been fretting about whether the Fed would tighten credit policies to counter the inflationary trend. Although this might have been a debatable view before, it is now widely expected that the May 15 FOMC meeting will result in a decision to put policy on hold. Fedwatchers last week recalled that Mr Alan Greenspan, Federal Reserve chairman, said three months ago he thought it would be well into the spring before US economic data would be sufficiently free of distortion to get a fix on the real state of the economy.

The next round of macroeconomic data will come on Friday, after the Treasury auction. Estimates of the two most important indicators - the

producer price index and retail sales figures - range from about zero to 0.4 per cent for the PPI and from 0.1 per cent to 0.5 per cent for retail sales.

Barings surprised on Friday it seems likely that the market will want to interpret the PPI and retail sales figures as confirming last Friday's indications of a slowdown in US economic growth. This, at any rate, is the market's present bias.

Out in corporate America the patchy nature of the economy has been confirmed by first-quarter results, which were down in median terms by more than 15 per cent. Aside from the wretched state of the car sector, several chemicals companies suffered, while in the banking industry the regional cities in real estate continue to take their toll in terms of non-performing loans and write-offs.

Also, now that Drexel Burnham Lambert is bust and junk bond mogul Mr Michael Milken is a self-confessed felon, the burden of corporate debt stemming from highly-leveraged takeovers continues to depress earnings and cause bottom-line losses even at otherwise healthy companies such as RJR Nabisco and Time Warner.

Alan Friedman

UK GILTS

Some time still to kill before rally

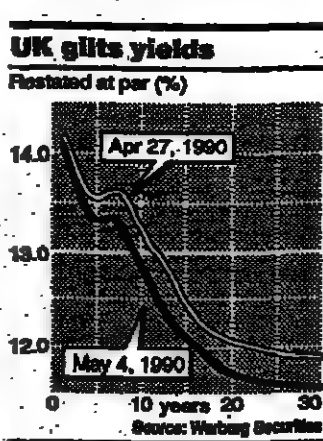
IT ISN'T over 'til it's over, said Yogi Berra, the US baseball player. The gilt market might remember his remark this week.

For the UK economy, the point at which it will be over is a long way in the future. The Retail Price Index, released this Friday, will indicate how bad inflation may get, but not how long the situation will take to improve. Consequently the gilt market may have some time to wait for its long-promised rally.

Analysts said on Friday that the strong positive reaction on Friday to the local government election results reflected the fears that had run around the market in advance of the results rather than hopes that things had reached a turning point. It also followed strong bond market performances in the US and Germany.

The benchmark Treasury 11 1/2 per cent 2008/2007 ended Friday 2 1/2 higher at 97 1/2, yielding 12.85 per cent, one of the strongest one-day performances all year. Gilt holders also had a strong day; they advanced after moving through key chart points. On the London International Financial Futures Exchange, June long gilts were trading at 80 1/2, up 2 1/2 from late Thursday on heavy volume.

The reaction was remarkably favourable considering the Conservative losses. "The market was phenomenally over-sold," said Mr Peter Spencer of Shearson Lehman Hutton. "It was a technical rally," said Mr John Sheppard of Warburg



Securities. But Mr Spencer emphasised: "The political and economic landscape has not changed. There is still a major inflation problem and a very substantial Labour majority built into the electorate."

Despite last week's rise, retail investment interest is still absent. The buying came mainly from market makers trying to square their books, rather than retail investors, said Mr Sheppard. Indeed, earlier in the week there had been significant selling from Japan, said Mr Ian Abrams of Nomura Gilt.

The market's political fears have been linked with the UK's economic problems, and there is still no sign of an end to the latter.

The market's median expectation for the RPI is for a monthly rise of 3.3 per cent, according to the forecasting group IMA, and 3.0 to 3.4 per cent, according to MME. What- ever the market forecasts,

say, there is a widespread belief that anything under double figures would be a relief.

Assuming that the market has discounted a high forecast for RPI, it could thus rise even on relatively high monthly inflation - greater than the annual rate of many of our European neighbours. This is indicative of the mood: once the bad news is out of the way, gilts will become attractive again.

But the inflationary problem will not be solved by one month's figure, especially given the uncertainty of the Government's statistical releases. Most forecasters are predicting that August will see the inflationary peak. The inflationary profile can be bent if wage rises follow the price trend, or if food prices fall to the Government's predictions.

Given the concerns about wage inflation, the Confederation of British Industry Industrial Trends survey provided some hope by indicating a continuing fall in manufacturing employment. This has yet to show up in the unemployment figures. The International Monetary Fund noted last week: "The question remains whether [UK] monetary policy is sufficiently tight to have cost-and-price pressures, particularly in view of the tight conditions prevailing in labour markets."

The overseas environment still seems unpromising for a general bond market recovery. Real interest rates have risen by nearly a percentage point in

the Group of Seven industrialised countries since the beginning of the year, according to the Federal Reserve's Economic. In the UK, taking the difference between the expected 10-year inflation rate and the nominal 10-year bond yield, the real rate of interest has risen to 7.5 per cent, he says. This compares with 4.5 per cent in the US, 5.7 per cent in Germany and 5.3 per cent in Japan.

The good omens in other bond markets last week may prove difficult to repeat, and world interest rates are likely to be higher by the end of the summer. The Government's policy bind over inflation and interest rates is unlikely, therefore, to disappear much before the end of the year.

This is reflected in the City's forecasts of increased inflation for the fourth quarter. It also incorporates a growing belief that interest rates cannot come down; indeed, they may have to rise once more. If so, the political situation may also have yet to reach its trough.

Starting which the lever upon which these political and economic pressures press.

By-elections are, in a sense, like economic indicators. They give a crude picture of the political situation, and which way the tide is running. Both the elections and the RPI figures may show that things are not as bad as the markets had discounted; they do not prove that the Government's policy dilemmas have disappeared.

Andrew Marshall

La Fondiaria advances

LA FONDARIA Assicurazioni, a leading Italian insurance company, yesterday said part company net earnings rose 9.7 per cent to L1,132m (82m) in 1989 from L1,036m a year earlier, AP-DJ reports.

Premium income rose 12.3 per cent to L9,255m from L8,242m. Fondiaria said 1989 "signalled a considerable increase in premium income, a

consolidation of investment income and a further deterioration of negative trend in the income from insurance writing which has hurt the whole insurance market."

Net income from investments rose 9.7 per cent to L1,362m from L1,242m. The board proposed an unchanged dividend of L,000 a share.

Aborted deal puts Echo Bay in loss

ECHO BAY MINES, the North American gold producer, suffered a substantial first-quarter loss after pulling out of a mining venture whose ore grades and costs failed to meet expectations, writes Bernard Simon in Toronto.

The Edmonton-based company lost US\$37.9m or 38 cents a share, compared with earnings of US\$10.6m or 11 cents, in the first three months of 1990.

Revenues rose to \$78.6m from \$69.8m.

The loss was due to a \$43.4m write-off after Echo Bay aborted a plan to exchange a one-third interest in the Muscocho group for a direct interest in two Muscocho mines in northern Ontario.

Since signing the agreement, Echo Bay said estimates of the mines' ore grades had dropped by between 17 and 38 per cent.

US MONEY MARKET RATES (%)					
	1 wk	2 wk	3 mo	6 mo	12 mo
Fed Funds	8.35	8.35	8.35	8.35	8.35
Three-month Treasury Bill	8.35	8.35	8.35	8.35	8.35
Three-month Treasury Note	8.35	8.35	8.35	8.35	8.35
Three-month Treasury Bond	8.35	8.35	8.35	8.35	8.35
Three-month Commercial Paper	8.35	8.35	8.35	8.35	8.35
90-day Commercial Paper	8.35	8.35	8.35	8.35	8.35

US BOND PRICES AND YIELDS (%)					
	1 wk	2 wk	3 mo	6 mo	12 mo
Three-month Treasury Bill	8.35	8.35	8.35	8.35	8.35
Three-month Treasury Note	8.35	8.35	8.35	8.35	8.35
Three-month Treasury Bond	8.35	8.35	8.35	8.35	8.35
Three-month Commercial Paper	8.35	8.35	8.35	8.35	8.35
90-day Commercial Paper	8.35	8.35	8.35	8.35	8.35

NRI TOKYO BOND INDEX					
	1 wk	2 wk	3 mo	6 mo	12 mo
Overall	142.89	142.89	142.89	142.89	142.89
Government Bonds	142.89	142.89	142.89	142.89	142.89
Corporate Bonds	142.89	142.89	142.89	142.89	142.89
Convertible Bonds	142.89	142.89	142.89	142.89	142.89
Subordinated Bonds	142.89	142.89	142.89	142.89	142.89
High-Yield Bonds	142.89	142.89	142.89	142.89	142.89

FT/AIBD INTERNATIONAL BOND SERVICE									
	1 wk	2 wk	3 mo	6 mo	12 mo	1 wk	2 wk	3 mo	6 mo
Overall	142.89	142.89	142.89	142.89	142.89	142.89	142.89	142.89	142.89
Government Bonds	142.89	142.89	142.89	142.89	142.89	142.89	142.89	142.89	142.89
Corporate Bonds	142.89	142.89	142.89	142.89	142.89	142.89	142.89	142.89	142.89
Convertible Bonds	142.89	142.89	142.89	142.89	142.89	142.89	142.89	142.89	142.89
Subordinated Bonds	142.89	142.89	142.89	142.89	142.89	142.89	142.89	142.89	142.89
High-Yield Bonds	142.89	142.89	142.89	142.89	142.89	142.89	142.89	142.89	142.89

This announcement appears as a matter of record only

April, 1990

Nestlé Holdings, Inc.

(Incorporated in the State of Delaware, United States of America)

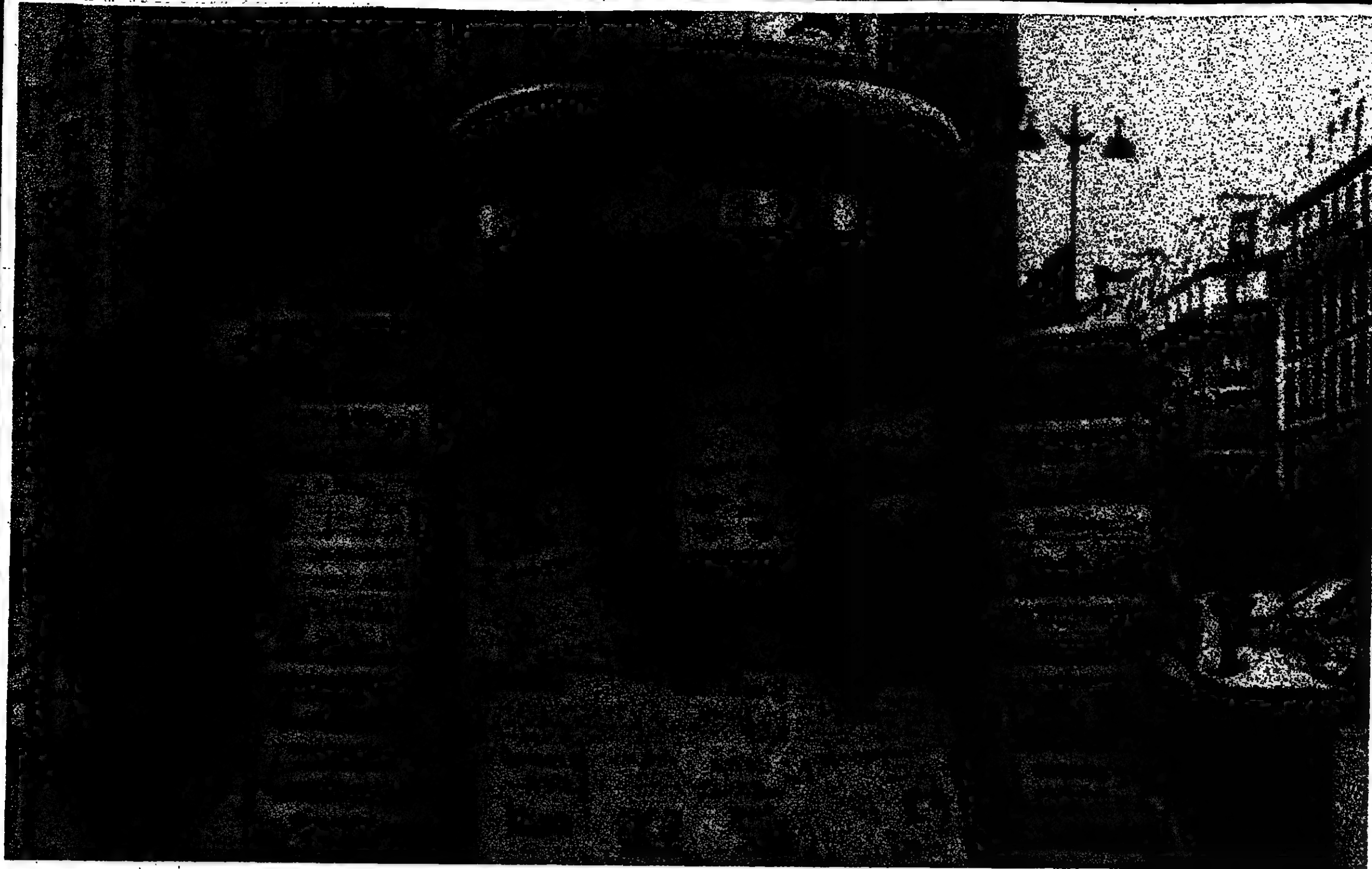
Lit. 100,000,000,000
13 1/4 per cent. Notes due 1993

Issue Price 101.50 per cent.

Istituto Bancario San Paolo di Torino

Banca Commerciale Italiana	Banco di Napoli
Banco di Roma	Credit Suisse First Boston Limited
Amsterdam-Rotterdam Bank N.V.	Banca d'America e d'Italia
Banca Euromobiliare	Banca Nazionale del Lavoro
Bankers Trust International Limited	Banque Bruxelles Lambert S.A.
Banque Générale du Luxembourg S.A.	Commerzbank Aktiengesellschaft
Compagnie Monégasque de Banque	Crédit Commercial de France
Crédit Communal de Belgique S.A.	Credito Italiano
Cementbedred van België N.V.	Generale Bank
Dresdner Bank	Kreditbank International Group
Goldman Sachs International Limited	Paribas Limited
JP Morgan Securities Limited	Swiss Cantobank Securities Limited
Swiss Bank Corporation	Westdeutsche Landesbank
UBS Phillips & Drew Securities Limited	Garmontale
Yamaichi International (Europe) Limited	
Banca del Gottardo	BSI - Banca della Svizzera Italiana
Handelsbank NatWest	Julius Baer International Ltd.
Leu Securities Limited	Swiss Volksbank

FT/AIBD INTERNATIONAL BOND SERVICE									
	1 wk	2 wk	3 mo	6 mo	12 mo	1 wk	2 wk	3 mo	6 mo
Overall	142.89	142.89	142.89	142.89	142.89	142.89	142.89	142.89	142.89
Government Bonds	142.89	142.89	142.89	142.89	142.89	142.89	142.89	142.89	142.89
Corporate Bonds	142.89	142.89	142.89	142.89	142.89	142.89	142.89	142.89	142.89
Convertible Bonds	142.89	142.89	142.89	142.89	142.89	142.89	142.89	142.89	142.89
Subordinated Bonds	142.89	142.89	142.89	142.89	142.89	142.89	142.89	142.89	142.89
High-Yield Bonds	142.89	142.89	142.89	142.89	142.89	142.89	142.89	142.89	142.89



After May 11, you'll have a much better focus on Europe.



Europe's first national weekend newspaper. 64 pages, every Friday throughout Europe.

THE EUROPEAN
Europe's first national weekend newspaper

You can't be one without it.

U.S. \$100,000,000 Floating Rate Depositary Receipts due 1992

Issued by Bankers Trust Company Limited, continuing commitment to payment of principal and interest on depositary receipts.

Banco di Sicilia
(Incorporated in the Republic of Italy as a Public Credit Institution)
London Branch



NOTICE IS GIVEN that pursuant to Condition 4(b) of the terms and conditions of the Depositary Receipts, U.S. \$50,000,000 have been drawn for partial repayment at their principal amounts, together with accrued interest, on 7th June, 1990, (the "Redemption Date"), when interest on the Depositary Receipts will cease to accrue.

The serial numbers of the Depositary Receipts drawn for the partial repayment are as follows:

3	86	184	284	384	484	584	684	784	884
5	87	187	287	387	487	587	687	787	887
7	88	188	288	388	488	588	688	788	888
9	89	189	289	389	489	589	689	789	889
11	90	190	290	390	490	590	690	790	890
13	91	191	291	391	491	591	691	791	891
15	92	192	292	392	492	592	692	792	892
17	93	193	293	393	493	593	693	793	893
19	94	194	294	394	494	594	694	794	894
21	95	195	295	395	495	595	695	795	895
23	96	196	296	396	496	596	696	796	896
25	97	197	297	397	497	597	697	797	897
27	98	198	298	398	498	598	698	798	898
29	99	199	299	399	499	599	699	799	899
31	100	200	300	400	500	600	700	800	900
33	101	201	301	401	501	601	701	801	901
35	102	202	302	402	502	602	702	802	902
37	103	203	303	403	503	603	703	803	903
39	104	204	304	404	504	604	704	804	904
41	105	205	305	405	505	605	705	805	905
43	106	206	306	406	506	606	706	806	906
45	107	207	307	407	507	607	707	807	907
47	108	208	308	408	508	608	708	808	908
49	109	209	309	409	509	609	709	809	909
51	110	210	310	410	510	610	710	810	910
53	111	211	311	411	511	611	711	811	911
55	112	212	312	412	512	612	712	812	912
57	113	213	313	413	513	613	713	813	913
59	114	214	314	414	514	614	714	814	914
61	115	215	315	415	515	615	715	815	915
63	116	216	316	416	516	616	716	816	916
65	117	217	317	417	517	617	717	817	917
67	118	218	318	418	518	618	718	818	918
69	119	219	319	419	519	619	719	819	919
71	120	220	320	420	520	620	720	820	920
73	121	221	321	421	521	621	721	821	921
75	122	222	322	422	522	622	722	822	922
77	123	223	323	423	523	623	723	823	923
79	124	224	324	424	524	624	724	824	924
81	125	225	325	425	525	625	725	825	925
83	126	226	326	426	526	626	726	826	926
85	127	227	327	427	527	627	727	827	927
87	128	228	328	428	528	628	728	828	928
89	129	229	329	429	529	629	729	829	929
91	130	230	330	430	530	630	730	830	930
93	131	231	331	431	531	631	731	831	931
95	132	232	332	432	532	632	732	832	932
97	133	233	333	433	533	633	733	833	933
99	134	234	334	434	534	634	734	834	934
101	135	235	335	435	535	635	735	835	935
103	136	236	336	436	536	636	736	836	936
105	137	237	337	437	537	637	737	837	937
107	138	238	338	438	538	638	738	838	938
109	139	239	339	439	539	639	739	839	939
111	140	240	340	440	540	640	740	840	940
113	141	241	341	441	541	641	741	841	941
115	142	242	342	442	542	642	742	842	942
117	143	243	343	443	543	643	743	843	943
119	144	244	344	444	544	644	744	844	944
121	145	245	345	445	545	645	745	845	945
123	146	246	346	446	546	646	746	846	946
125	147	247	347	447	547	647	747	847	947
127	148	248	348	448	548	648	748	848	948
129	149	249	349	449	549	649	749	849	949
131	150	250	350	450	550	650	750	850	950
133	151	251	351	451	551	651	751	851	951
135	152	252	352	452	552	652	752	852	952
137	153	253	353	453	553	653	753	853	953
139	154	254	354	454	554	654	754	854	954
141	155	255	355	455	555	655	755	855	955
143	156	256	356	456	556	656	756	856	956
145	157	257	357	457	557	657	757	857	957
147	158	258	358	458	558	658	758	858	958
149	159	259	359	459	559	659	759	859	959
151	160	260	360	460	560	660	760	860	960
153	161	261	361	461	561	661	761	861	961
155	162	262	362	462	562	662	762	862	962
157	163	263	363	463	563	663	763	863	963
159	164	264	364	464	564	664	764	864	964
161	165	265	365	465	565	665	765	865	965
163	166	266	366	466	566	666	766	866	966
165	167	267	367	467	567	667	767	867	967
167	168	268	368	468	568	668	768	868	968
169	169	269	369	469	569	669	769	869	969
171	170	270	370	470	570	670	770	870	970
173	171	271	371	471	571	671	771	871	971
175	172	272	372	472	572	672	772	872	972
177	173	273	373	473	573	673	773	873	973
179	174	274	374	474	574	674	774	874	974
181	175	275	375	475	575	675	775	875	975
183	176	276	376	476	576	676	776	876	976
185	177	277	377	477	577	677	777	877	977
187	178	278	378	478	578	678	778	878	978
189	179	279	379	479	579	679	779	879	979
191	180	280	380	480	580	680	780	880	980
193	181	281	381	481	581	681	781	881	981
195	182	282	382	482	582	682	782	882	982
197	183	283	383	483	583	683	783	883	983
199	184	284	384	484	584	684	784	884	984
201	185	285	385	485	585	685	785	885	985
203	186	286	386	486	586	686	786	886	986
205	187	287	387	487	587	687	787	887	987
207	188	288	388	488	588	688	788	888	988
209	189	289	389	489	589	689	789	889	989
211	190	290	390	490	590	690	790	890	990
213	191	291	391	491	591	691	791	891	991
215	192	292	392	492	592	692	792	892	992
217	193	293	393	493	593	693	793	893	993
219	194	294	394	494	594	694	794	894	994
221	195	295	395	495	595	695	795	895	995
223	196	296	396	496	596	696	796	896	996
225	197	297	397	497	597	697	797	897	997
227	198	298	398	498	598	698	798	898	998
229	199	299	399	499	599	699	799	899	999
231	200	300	400	500	600	700	800	900	1000

Repayment of principal will be made upon presentation of the Depositary Receipts with all unmatured Coupons attached, at the offices of any one of the Paying Agents mentioned thereon.

Accrued Interest due 7th June, 1990, will be paid in the normal manner against presentation of Coupon No. 9, on the next interest payment date, being 7th June, 1990.

Upon the due date for redemption of any Depositary Receipt, unmatured Coupons relating to such Depositary Receipt (whether or not attached) shall become void and no payment shall be made in respect thereof. Where any Depositary Receipts are presented for redemption without all unmatured Coupons relating thereto, redemption of such Depositary Receipts shall be made only against the provision of such indemnity and security as the Trustee may require.

Bankers Trust Company, London
8th May, 1990

Agent Bank

Our European world is e-x-p-a-n-d-i-n-g



Germany now accounts for 25% of total sales

In Continental Europe as a whole, some 65% of the Company's business is produced by almost fifty established operations

Vita...
an uncommon Company in the Common Market

BRITISH VITA PLC, Middleton, Manchester M24 2DB
Tel: 061-643 1133 Telex: 667673 Fax: 061-653 5411

INTERNATIONAL LEADERS IN POLYMER, FIBRE AND FABRIC MATERIALS AND TECHNOLOGY...
SERVING THE FURNISHINGS, TRANSPORTATION, APPAREL, PACKAGING AND ENGINEERING INDUSTRIES.

BARCLAYS

BARCLAYS OVERSEAS
INVESTMENT COMPANY B.V.

U.S.\$600,000,000
Junior Guaranteed Undated Floating Rate Notes

Notice is hereby given that the Rate of Interest for the Interest Period from 8th May, 1990 to 8th November, 1990 is 9.25 per cent. per annum and that on 8th November, 1990 the amount of interest payable in respect of each U.S.\$5,000 principal amount of the Notes will be U.S.\$236.39 and in respect of each U.S.\$50,000 principal amount of the Notes will be U.S.\$2,363.90.

Barclays de Zotte Wadd Limited
Agent Bank

UK COMPANY NEWS

Discounting a vital issue in the takeover stakes

Barry Riley on the wave of propaganda surrounding the hostile £1.1bn bid approach to GIT

REPLYING FOR the first time to the wave of hostile investment trust industry propaganda, Mr Paul Whitney of the British Coal pension funds has claimed controversially that his takeover bid for the £1.1bn Globe Investment Trust has widespread but tacit support among other investment trust managers.

He said that attempts by Globe's chairman, Mr David Hardy, and the Association of Investment Trust Companies to obtain a Monopolies Commission reference would damage the sector. He had "some difficulty" in deciding in whose interests David Hardy was acting.

Mr Whitney added: "Secretly, this takeover would be welcomed by the investment trust industry. What we have done is narrow the discount in the sector."

"If David Hardy were successful discounts would widen and it would be impossible for new trusts to be launched," Mr Whitney claimed. "Every sector needs regeneration from time to time."

He said the British Coal fund managers were "very disappointed" at the emergence from the Globe side of insider trading allegations. These arose from the fact that he had a meeting with

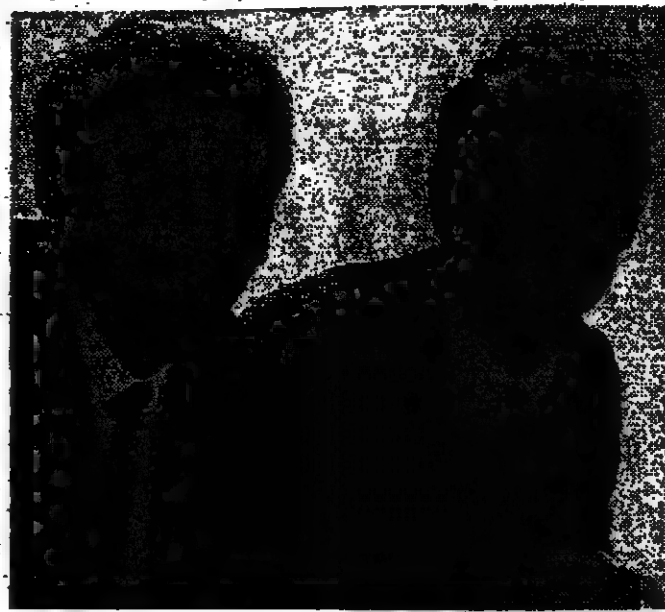
Mr Hardy only hours before a deal to buy a 5 per cent stake from Standard Life was clinched at 1 am on April 20.

"Mr Hardy has not sought to defeat the bid on the basis that it is a takeover," Mr Whitney said. "The issue with Globe is the persistence of the discounts, which are a function of the underlying portfolio."

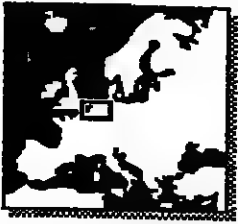
He argued that the pension funds had done investment trusts a favour when they bought another big trust, Tuche Investment Industrial and General (TIGI), in 1988. That deal had helped discounts to become narrower subsequently, and had contributed to the ability of managers to launch many new trusts (more than 30 new investment trusts have been floated in the past six months).

According to Mr Whitney, trailblazing opportunities were also being opened up by the decision to offer a free switch into a new index tracking investment trust to Globe shareholders who did not want to take cash or a loan note. Although these index-linked pension funds and unit trusts, there are no index matching investment trusts so far.

This new trust will have a life of only three years, albeit



FINANCIAL TIMES SURVEY



Although Flanders is the dominant region of Belgium the Flemish have had a long struggle to gain

parity with their French-speaking co-citizens. However, Flanders cannot rest on the laurels of its post-war economic and political victories. David Buchan reports

No room for complacency

CALL UP an image of Flanders, and it is likely to be of flatlands and tall steeples in towns full of stolid industrious burghers making lace and tapestry, who can plumb the comic depths of Bruegel and rise to the religious heights of Rubens.

It is, of course, the wrong image of Flanders. Though its land is still flat and steeples still tall, it is more memorable for its high-speed carpet looms around Kortrijk, hiotechnology around Ghent, diamond-trading, chemical-refining, and shipping in Antwerp, and the institutional capital of Europe growing up in part-Flemish Brussels. But it has been an easy image to correct.

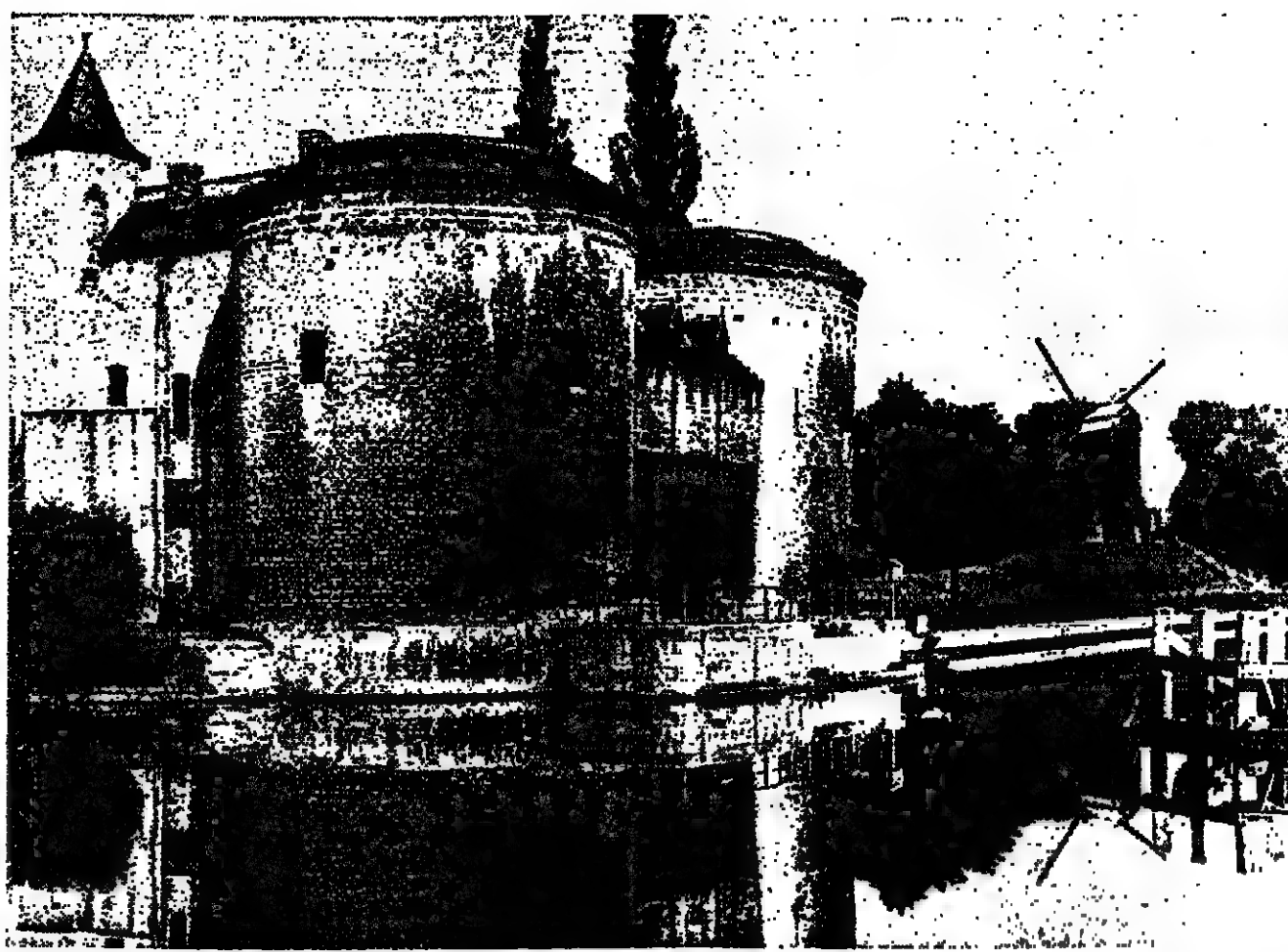
Remind the foreign investor that Flanders has not moved, that it is still in the heart of Europe. That it still has its good communications and its stolid industrious burghers. That its burghers will work for slightly lower wages than in most neighbouring countries and make slightly less fuss about environmental regulations and, though his profit may be highly taxed, he has fairly poured his money into post-war Flanders.

Many investors needed no bidding: "Recently it's just

been a question of answering the telephone," says a Ghent regional development officer.

By every indicator Flanders, with more people in it than Denmark, is the dominant region of modern Belgium. With 57 per cent of the population, it accounts for 60 per cent of turnover in the national economy. Its average growth rate over the past decade (2.9 per cent) has outstripped national (1.9 per cent) and EC (2.4 per cent) averages. Its unemployment (7.4 per cent) rate is below the national average (9.7 per cent). And, of course, by weight of numbers, the Flemish are the predominant political power at the national level. One of their number, Mr Wilfried Martens, has been Prime Minister for a decade; it is hard to conceive of Belgium ever having a francophone premier again.

Underlying all this has been the long, but eventually successful, struggle of the Flemish, who until the late 19th century could not use Dutch in dealing with the Belgian state, to gain cultural parity with their French-speaking co-citizens. In the process, however, the unitary state has come apart in three successive reforms. These started in 1970,



Medieval fortifications in Bruges

FLANDERS

continued in 1980 and culminated last year in a deal devolving wide powers and 40 per cent of public spending on to the regions of Flanders, Wallonia and linguistically mixed Brussels, and on to the two main Dutch and French-speaking "Communities".

Few national politicians and big businessmen from Flanders, and certainly not King Baudouin and his Spanish-born wife (arguably the only two genuine Belgians), took much pleasure in this. But there is enough of the old linguistic chip-on-the-shoulder and of the new sentiment of economic one-upmanship for many of the 5.7m Flemish to agree with Mr Gaston Geens, president of the Flanders regional government, that "When we do things ourselves, we do them better."

The nationalist element in Flemish politics has, too, acquired a menacing fringe with the rise of the far-right Vlaams Blok, which has been gaining ground, mainly in Antwerp and chiefly on immigration issues, at the expense of

the Volksunie which entered the mainstream by joining Mr Martens's Christian Democratic Government last year.

Flanders' regional structure is at least simpler than Wallonia's. The former has fused the Government of its "region" (covering local economic plan-

gle-seat decision, however, had nothing to do with the tidy logic of the Flemish mind. It was designed to put the maximum Flemish stamp on a city that has gradually become 90 per cent Frenchified.

Whatever its precise structure, regional reform will,

less than the precise proportion of national tax revenue it contributes; and Wallonia no more.

One day, regions will get some sizeable taxing power. But for the next few years they have representation without taxation (the reverse of the US revolutionaries' complaint). That might seem a recipe for popularity, if they had enough cash to carry out their new responsibilities. But they don't.

Quite deliberately, the central Government has "underfunded" them, leaving them with 14 per cent of current spending uncovered. The aim is to make sure the regions join the central state (left servicing a debt that eats up one-third of all remaining national revenue) in belt-tightening.

Flanders' means to shape its economy are, therefore, limited in the short term. Last year the five "national" sectors of glass, steel, coal, textiles and shipbuilding - dubbed national because only the central Government had the means to staunch their losses - were

	Flanders	Belgium	Percentage
Population (m)	5.72	9.82	57.8
Unemployment	157,200	348,700	45.0
Company turnover (BFRbn)	7,936	13,057	60.7
Ind. prod. in 1988 (1981=100)	121.4	118	-
Exports as % of turnover	82	61	-

Flemish Employers Federation

ning, subsidies, investment and incentives, energy, environment, transport, public works, and housing) and of its "Community" (education and culture) under Mr Geens, and placed it in a new, mock-gothic building next to Brussels cathedral. The seat of the Walloon region is Namur and of the French-speaking community is Brussels. Flanders' sin-

gle-seat decision, however, had nothing to do with the tidy logic of the Flemish mind. It was designed to put the maximum Flemish stamp on a city that has gradually become 90 per cent Frenchified.

CONTENTS	
Political profile: The car industry;	Page 2
Electricity; Textiles	Page 3
Limburg coal mines;	Page 3
Tourism; The chemical industry	Page 4

turned over to the regions.

Of this list, the last three are all based in Flanders. But by 1989 central Government had footed the entire bill for transforming textiles from white elephant to white hope and having its workforce cut from 100,000 to 50,000. Ship repair and building remains a problem, but European Community rules constrain subsidy payments. By end-1991 the taxpayers of Flanders will no longer have to dig into their pockets to fund the Limburg miners digging coal; the mines will close next year with dramatic savings.

Mr Geens' Government has some BFR15bn a year to spend in investment incentives such as interest rate rebates and equity participations. Its main vehicle for providing seed money to entrepreneurs, start-up help for joint ventures, and equity capital to let companies grow or turn losses around is the Flemish Investment Company (GIMV).

After 10 years of operation, and inheritance last year of "national" investments (20 per cent of Sidmar steel near Ghent, 100 per cent of Limburg coal, and a few textile stakes) GIMV has a net worth of BFR5bn. Unlike its Walloon counterpart fund, GIMV has largely concentrated on helping successful companies grow rather than keeping unsuccessful ones in business. Even the bet GIMV took on Heros seems to have paid off; the West Flemish electronics company is restored to the black.

The real factors behind Flanders' success have little or nothing to do with government policy.

A spread of very diverse sectors such as chemicals and mechanical engineering that are not too sensitive to short-term changes in the business cycle. Stability is provided by not only by the number of "baskets" in the Flemish economy, but also by the large number of small "eggs" in them. Small, family-run companies are a particular speciality of west Flanders where Bekart sticks out by employing as many as 3,000 people in the area.

Growth can be painful for family owners, because they are deeply resistant to going public and diluting their control. For this reason, GIMV has an offshoot called Kamofin, which offers to buy temporary stakes in family businesses that are then sold back to the

families on pre-arranged terms. Yet some concerns, such as Decuninck Plastics of Roeselare, take the plunge, go to the stock market and cede family control to professional management. A few family companies, however, just go on growing, like the Beaulieu carpet business of Wielebeke, nearly a 51bn business, still run by the De Clerk family.

The prospect that growth will soon be spread more evenly around the five provinces which make up Flanders, whose western and eastern edges have done less well than the centre. The Channel tunnel should increase development not only in northern France, but also in the neglected "West Hook" part of West Flanders, putting it at the core of a growth area.

Limburg should at last benefit from being adjacent to a buoyant pan-Germany, once it can persuade other companies to join big operations such as Ford car assembly at Genk into moving the province into a post-coal era.

In addition, the port facilities at Antwerp, a traditional pole of growth, are being greatly expanded. Flanders has successfully traded on a disciplined, educated and multilingual workforce. Recent initiatives, such as the creation of the IMEC Inter-University Micro-Electronics Centre have sought to maintain this, while companies such as Janssen pharmaceuticals, whose Bears research team has developed 70 new drugs, give at least the partial lie to the criticism that Belgian companies are poor innovators, more focused on improving processes inventing products.

Relatively low immigration, in the view of top managers such as Mr Karel Vinck of Bekart, contributes to homogeneity of the workforce, which as in Japan makes both communication and discipline easier. While the top flight of Flemish executives are as multi-lingual as ever, those below them are not. There has been a marked drop in the learning of French, counterbalanced to some extent by English.

This is troubling, in the context of Belgium, because it makes harder communication with other parts of Belgium. It is more than just troubling; it means that a certain complacency has set in. Flanders cannot afford to rest on the laurels of its post-war political and economic victories.

IF YOU WANT TO KNOW HOW FAST INTERMODAL TRANSPORT CAN BE, TRY AND CATCH THIS MAN or call CMB TRANSPORT.

...only all-round specialists reach the finishing line.



This is Peter, a professional athlete, one of very few who can hold his own in different disciplines, and on all kinds of terrain. A true all-rounder - just like CMB TRANSPORT.

As an intermodal transport group, CMB TRANSPORT is THE specialist in combined cargo transport at sea, on land and in the air in the north-south trades.

CMB TRANSPORT has its own fleet of ships adapted to contemporary needs, as well as its own worldwide network of service centres.

Add to this its own fleet of road haulage vehicles for inland transport in Europe or overseas, and the result is an extremely efficient door-to-door service. A service that is guaranteed from the most northerly to the most southerly corners of the world.

Customer-designed transport, we call that. And always within your deadlines. Always within the price you've agreed.

Speed, flexibility and knowledge of the market terrain are our advantages. We spare no effort, in any situation.

As an all-round athlete, Peter - like CMB TRANSPORT, recognises the importance of speed, flexibility and knowledge of the terrain. To save you an exhausting marathon please contact us.

TRANSPORT
CMB
TO EXCEL WITH ZEST

Head Office:
CMB s.a. - Meir 1,
B-2000 Antwerpen
Tel.: 32.3.223.71.11
Fax: 32.3.223.24.88
Tlx: 72304

Local Agent:
Asco UK Ltd. - Orbital House,
20 Eastern Road,
GB - Romford RM1 3PJ Essex
Tel.: 0708.766.531
Fax: 0708.46.835
Tlx: 8814859



Your ideal partner in Belgium

THE KREDIETBANK
The big Belgian bank with a clear insight into business. The bank with numerous worldwide connections. The bank that each day gives renewed proof that it is the ideal partner for you.

Branches, representative offices, associated banks and subsidiaries also in: Australia, France, Germany, Hong Kong, Ireland, Japan, Luxembourg, The Netherlands, Spain, Switzerland, United Kingdom, United States

Head office: Arenbergstraat 7
B - 1000 Brussels
Tel.: 02 / 517.41.11
Telex: 21.207 kb comp b
61.402 kb comp b

FLANDERS 2

David Buchan talks to Mr Gaston Geens

Power to the regions

MR Gaston Geens strongly hints that he would rather be Minister-President of the Flemish people than Prime Minister of Belgium.

In carving real powers for the Government of Flanders out of the "artificial" state of Belgium, "we are making something new, and that is a challenge", says the 59-year-old Mr Geens, who dropped out of central Government (where he was Finance and Budget Minister) to lead the Government of Flanders ever since it was created in 1980.

The 1988 reforms, conferring new powers on the regions and linguistic communities of Belgium, have made the job even more worthwhile. In contrast to its Walloon counterpart, the Government of Flanders has a unified executive responsible for both regional and linguistic/educational affairs.

Flanders is now master in its own schools, from primary to university level, and nearly half of its BF380bn budget goes on education. "Now we can offer a broad education that is no longer based on the French system and on books translated from the French," he says.

Second, the Flanders Government is now responsible for housing, public works, transport and environment policies within the region. "This means we can better define our needs and act more quickly to meet them," says Mr Geens. He cites the example of a new holding company which the regional



Gaston Geens: dropped out of central Government

Government is sponsoring for research into control of water pollution, a considerable problem for Flanders with its high density of population and concentration of the chemical industry, particularly in the Antwerp-Ghent corridor.

Third, regional authorities truly control industrial policy, now that central Government has turned over to them

responsibility for what were known as "the national sectors," or these industries that were or still are chronic losers of money such as glass, steel, coal, textiles and shipbuilding. In the case of the Limburg coal mines, the Flanders Government took drastic action by deciding to close them and use the subsidies saved to diversify the local economy.

Such a decision would have been quite impossible when the mines were still the charge of the central Government, which, in one of Mr Geens' favourite metaphors, had to operate like a waltzer, the two-sided iron press with which Belgians make their beloved waffles.

In other words, every public action, such as giving government aid to Flanders, had to be matched in Wallonia, and vice versa.

With money from Flanders, the Belgian central government and the European Community, Mr Geens is confident that in 10 years' time Limburg will hardly be able to recall the loss of the mines.

"It will have the same level of employment and income as in the rest of Flanders," he says, because of its inherently good communications and flexibility of its work force.

This confidence stems in part from the way Mr Geens saw Flanders shake off the doldrums of the early 1980s and take off.

In the period 1983-90 average annual growth in Flanders of 2.9 per cent not only outpaced the 1.9 per cent average recorded in Belgium, but also the 2.4 per cent average in the EC as a whole.

He claims part of the credit with his policy for a third industrial revolution in Flanders, whose Dutch acronym, Durr, was intentionally confusable with Durr (courage, in Dutch).

Not quite 100 years later, De Witte Lister, the only quoted company in the world-reowned Belgian textiles sector, is itself in the throes of an important transformation following the decision of its third generation family owners to sell the business to Gamma Holding, the biggest textiles group in the Netherlands.

The BFR2.16bn deal concluded this month is another example of a leading Belgian concern passing into foreign hands, a trend which has gathered pace with the advent of the White and his wife, Lesius, under contract to British Aerospace, set up a small textiles business for their children in the village of Leuven, near Koortrijk, in 1986.

Not quite 100 years later, De Witte Lister, the only quoted company in the world-reowned Belgian textiles sector, is itself in the throes of an important transformation following the decision of its third generation family owners to sell the business to Gamma Holding, the biggest textiles group in the Netherlands.

The BFR2.16bn deal concluded this month is another example of a leading Belgian concern passing into foreign hands, a trend which has gathered pace with the advent of the White and his wife, Lesius, under contract to British Aerospace, set up a small textiles business for their children in the village of Leuven, near Koortrijk, in 1986.

Not quite 100 years later, De Witte Lister, the only quoted company in the world-reowned Belgian textiles sector, is itself in the throes of an important transformation following the decision of its third generation family owners to sell the business to Gamma Holding, the biggest textiles group in the Netherlands.

The BFR2.16bn deal concluded this month is another example of a leading Belgian concern passing into foreign hands, a trend which has gathered pace with the advent of the White and his wife, Lesius, under contract to British Aerospace, set up a small textiles business for their children in the village of Leuven, near Koortrijk, in 1986.

Not quite 100 years later, De Witte Lister, the only quoted company in the world-reowned Belgian textiles sector, is itself in the throes of an important transformation following the decision of its third generation family owners to sell the business to Gamma Holding, the biggest textiles group in the Netherlands.

The BFR2.16bn deal concluded this month is another example of a leading Belgian concern passing into foreign hands, a trend which has gathered pace with the advent of the White and his wife, Lesius, under contract to British Aerospace, set up a small textiles business for their children in the village of Leuven, near Koortrijk, in 1986.

Not quite 100 years later, De Witte Lister, the only quoted company in the world-reowned Belgian textiles sector, is itself in the throes of an important transformation following the decision of its third generation family owners to sell the business to Gamma Holding, the biggest textiles group in the Netherlands.

The BFR2.16bn deal concluded this month is another example of a leading Belgian concern passing into foreign hands, a trend which has gathered pace with the advent of the White and his wife, Lesius, under contract to British Aerospace, set up a small textiles business for their children in the village of Leuven, near Koortrijk, in 1986.

Not quite 100 years later, De Witte Lister, the only quoted company in the world-reowned Belgian textiles sector, is itself in the throes of an important transformation following the decision of its third generation family owners to sell the business to Gamma Holding, the biggest textiles group in the Netherlands.

The BFR2.16bn deal concluded this month is another example of a leading Belgian concern passing into foreign hands, a trend which has gathered pace with the advent of the White and his wife, Lesius, under contract to British Aerospace, set up a small textiles business for their children in the village of Leuven, near Koortrijk, in 1986.

Not quite 100 years later, De Witte Lister, the only quoted company in the world-reowned Belgian textiles sector, is itself in the throes of an important transformation following the decision of its third generation family owners to sell the business to Gamma Holding, the biggest textiles group in the Netherlands.

The BFR2.16bn deal concluded this month is another example of a leading Belgian concern passing into foreign hands, a trend which has gathered pace with the advent of the White and his wife, Lesius, under contract to British Aerospace, set up a small textiles business for their children in the village of Leuven, near Koortrijk, in 1986.

Not quite 100 years later, De Witte Lister, the only quoted company in the world-reowned Belgian textiles sector, is itself in the throes of an important transformation following the decision of its third generation family owners to sell the business to Gamma Holding, the biggest textiles group in the Netherlands.

The BFR2.16bn deal concluded this month is another example of a leading Belgian concern passing into foreign hands, a trend which has gathered pace with the advent of the White and his wife, Lesius, under contract to British Aerospace, set up a small textiles business for their children in the village of Leuven, near Koortrijk, in 1986.

Not quite 100 years later, De Witte Lister, the only quoted company in the world-reowned Belgian textiles sector, is itself in the throes of an important transformation following the decision of its third generation family owners to sell the business to Gamma Holding, the biggest textiles group in the Netherlands.

The BFR2.16bn deal concluded this month is another example of a leading Belgian concern passing into foreign hands, a trend which has gathered pace with the advent of the White and his wife, Lesius, under contract to British Aerospace, set up a small textiles business for their children in the village of Leuven, near Koortrijk, in 1986.

Not quite 100 years later, De Witte Lister, the only quoted company in the world-reowned Belgian textiles sector, is itself in the throes of an important transformation following the decision of its third generation family owners to sell the business to Gamma Holding, the biggest textiles group in the Netherlands.

The BFR2.16bn deal concluded this month is another example of a leading Belgian concern passing into foreign hands, a trend which has gathered pace with the advent of the White and his wife, Lesius, under contract to British Aerospace, set up a small textiles business for their children in the village of Leuven, near Koortrijk, in 1986.

Not quite 100 years later, De Witte Lister, the only quoted company in the world-reowned Belgian textiles sector, is itself in the throes of an important transformation following the decision of its third generation family owners to sell the business to Gamma Holding, the biggest textiles group in the Netherlands.

The BFR2.16bn deal concluded this month is another example of a leading Belgian concern passing into foreign hands, a trend which has gathered pace with the advent of the White and his wife, Lesius, under contract to British Aerospace, set up a small textiles business for their children in the village of Leuven, near Koortrijk, in 1986.

Not quite 100 years later, De Witte Lister, the only quoted company in the world-reowned Belgian textiles sector, is itself in the throes of an important transformation following the decision of its third generation family owners to sell the business to Gamma Holding, the biggest textiles group in the Netherlands.

The BFR2.16bn deal concluded this month is another example of a leading Belgian concern passing into foreign hands, a trend which has gathered pace with the advent of the White and his wife, Lesius, under contract to British Aerospace, set up a small textiles business for their children in the village of Leuven, near Koortrijk, in 1986.

Not quite 100 years later, De Witte Lister, the only quoted company in the world-reowned Belgian textiles sector, is itself in the throes of an important transformation following the decision of its third generation family owners to sell the business to Gamma Holding, the biggest textiles group in the Netherlands.

The BFR2.16bn deal concluded this month is another example of a leading Belgian concern passing into foreign hands, a trend which has gathered pace with the advent of the White and his wife, Lesius, under contract to British Aerospace, set up a small textiles business for their children in the village of Leuven, near Koortrijk, in 1986.

Not quite 100 years later, De Witte Lister, the only quoted company in the world-reowned Belgian textiles sector, is itself in the throes of an important transformation following the decision of its third generation family owners to sell the business to Gamma Holding, the biggest textiles group in the Netherlands.

The BFR2.16bn deal concluded this month is another example of a leading Belgian concern passing into foreign hands, a trend which has gathered pace with the advent of the White and his wife, Lesius, under contract to British Aerospace, set up a small textiles business for their children in the village of Leuven, near Koortrijk, in 1986.

Not quite 100 years later, De Witte Lister, the only quoted company in the world-reowned Belgian textiles sector, is itself in the throes of an important transformation following the decision of its third generation family owners to sell the business to Gamma Holding, the biggest textiles group in the Netherlands.

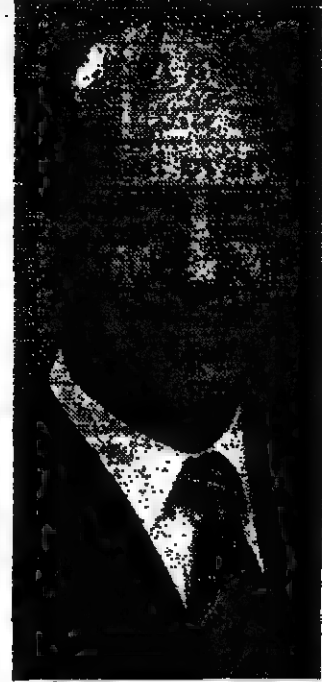
The BFR2.16bn deal concluded this month is another example of a leading Belgian concern passing into foreign hands, a trend which has gathered pace with the advent of the White and his wife, Lesius, under contract to British Aerospace, set up a small textiles business for their children in the village of Leuven, near Koortrijk, in 1986.

A welcome for the Japanese

THE CAR INDUSTRY

CAR ASSEMBLY 1989

Ford	396,908
General Motors	374,146
Renault	306,067
Volkswagen	188,210
Volvo	94,656



Andre Van Roy

UNLIKE HIS counterparts in southern Europe, Mr Andre Van Roy, managing director of General Motors in Antwerp and president of Fehac, the Belgian vehicle industry association, puts out the welcome mat for the Japanese. "If more Japanese car companies decide to invest in Europe, then, better that they should come to Belgium," he says.

Mr Van Roy's prescription to resolve the great debate over the future treatment of Japanese cars is two-fold - import restrictions on direct shipments from Japan should be phased out in three to five years "at a maximum," and Japanese investment should be encouraged, provided that 60-80 per cent of the value of such made-in-Europe cars is of local content.

This position may only put the Belgian car industry half-

way between the free-trade camp led by the West German, British and Dutch governments and the protectionist camp of France, Italy and Spain - but it is noticeably more forthright than that of the Belgian Government which has hardly dared take a stance.

One reason why the positions of the Government and

car industry differ is that the central Government in Brussels must take account of Walloon views and, therefore indirectly, of France's views. However, the car industry is almost entirely based in Flanders and, therefore indirectly, more attuned to the free-trade mentality of northern European countries.

The other reason, of course, for Belgium's or Flanders' more relaxed attitude is that it is less a maker of its own cars, and more of an assembler of other people's vehicles - albeit a very successful one.

Last year it put together a record 1.25m cars and trucks, up 1.4 per cent on 1988. This is the highest output per head of population in the world, even if the population of Belgium, rather than Flanders, is counted. The added value is not enormous, accounting for less than 3 per cent of gross national product. This is in spite of an increasing amount of components coming from within the country. Ford, for example, buys sheet metal from Sidmar (and Cockerill in Walonia) for its cars at Genk. The employment is significant with some 44,000 people working

directly in the industry with more than 700,000 indirectly.

Mr Van Roy is cautiously bullish on the future. "Today we are short of capacity, and my expectation - despite the forecast by some specialists for a downturn in 1991 - is that the current boom will continue until 1993-4. If peace continues in eastern Europe, that region will be an open market for

Western industry, at least until they gear up to compete with us, in, say, six years' time."

However, the Fehac chief stresses that, with little indigenous production except for limited output of trucks by companies such as Van Hool, Jonckheere and I.A.G., the only reasons why foreign companies should want to assemble their products in Belgium or Flanders is "our quality, productivity and flexibility."

The latter is very important at the moment, with all the companies trying to meet high demand by squeezing more out of their existing plants. Mr Van Roy's own company, GM, struck a deal with its unions two years ago to switch its work pattern (from eight to 10 hour-shifts) so that its Antwerp factory could be used up to 26 hours a day, but Ford at Villvoorde, near Brussels, have yet to get union approval for similar deals.

"For the most part, we, the Belgian assemblers, are cheaper than our sister companies in other parts of Europe, despite the fact that our wages are second only to those in Germany," Mr Van Roy says. But he goes on to warn that unless this competitive edge is maintained Belgium cannot hope to stay in the market, just as earlier this century Belgium failed to move from making luxury cars into mass manufacture.

David Buchan

Tim Dickson examines a transformation in the textile sector

Foreign hands on the loom

THE VIEW from the company's showroom - flat, fertile fields beyond a slow lacy river - could hardly be more Flemish. A landscape no doubt little changed since Zeno De Witte and his wife, Lesius, set up a small textiles business for their children in the village of Leuven, near Koortrijk, in 1986.

Not quite 100 years later, De Witte Lister, the only quoted company in the world-reowned Belgian textiles sector, is itself in the throes of an important transformation following the decision of its third generation family owners to sell the business to Gamma Holding, the biggest textiles group in the Netherlands.

The BFR2.16bn deal concluded this month is another example of a leading Belgian concern passing into foreign hands, a trend which has gathered pace with the advent of the White and his wife, Lesius, under contract to British Aerospace, set up a small textiles business for their children in the village of Leuven, near Koortrijk, in 1986.

Not quite 100 years later, De Witte Lister, the only quoted company in the world-reowned Belgian textiles sector, is itself in the throes of an important transformation following the decision of its third generation family owners to sell the business to Gamma Holding, the biggest textiles group in the Netherlands.

The BFR2.16bn deal concluded this month is another example of a leading Belgian concern passing into foreign hands, a trend which has gathered pace with the advent of the White and his wife, Lesius, under contract to British Aerospace, set up a small textiles business for their children in the village of Leuven, near Koortrijk, in 1986.

Not quite 100 years later, De Witte Lister, the only quoted company in the world-reowned Belgian textiles sector, is itself in the throes of an important transformation following the decision of its third generation family owners to sell the business to Gamma Holding, the biggest textiles group in the Netherlands.

The BFR2.16bn deal concluded this month is another example of a leading Belgian concern passing into foreign hands, a trend which has gathered pace with the advent of the White and his wife, Lesius, under contract to British Aerospace, set up a small textiles business for their children in the village of Leuven, near Koortrijk, in 1986.

Not quite 100 years later, De Witte Lister, the only quoted company in the world-reowned Belgian textiles sector, is itself in the throes of an important transformation following the decision of its third generation family owners to sell the business to Gamma Holding, the biggest textiles group in the Netherlands.

The BFR2.16bn deal concluded this month is another example of a leading Belgian concern passing into foreign hands, a trend which has gathered pace with the advent of the White and his wife, Lesius, under contract to British Aerospace, set up a small textiles business for their children in the village of Leuven, near Koortrijk, in 1986.

Not quite 100 years later, De Witte Lister, the only quoted company in the world-reowned Belgian textiles sector, is itself in the throes of an important transformation following the decision of its third generation family owners to sell the business to Gamma Holding, the biggest textiles group in the Netherlands.

The BFR2.16bn deal concluded this month is another example of a leading Belgian concern passing into foreign hands, a trend which has gathered pace with the advent of the White and his wife, Lesius, under contract to British Aerospace, set up a small textiles business for their children in the village of Leuven, near Koortrijk, in 1986.

Not quite 100 years later, De Witte Lister, the only quoted company in the world-reowned Belgian textiles sector, is itself in the throes of an important transformation following the decision of its third generation family owners to sell the business to Gamma Holding, the biggest textiles group in the Netherlands.

The BFR2.16bn deal concluded this month is another example of a leading Belgian concern passing into foreign hands, a trend which has gathered pace with the advent of the White and his wife, Lesius, under contract to British Aerospace, set up a small textiles business for their children in the village of Leuven, near Koortrijk, in 1986.

Not quite 100 years later, De Witte Lister, the only quoted company in the world-reowned Belgian textiles sector, is itself in the throes of an important transformation following the decision of its third generation family owners to sell the business to Gamma Holding, the biggest textiles group in the Netherlands.

The BFR2.16bn deal concluded this month is another example of a leading Belgian concern passing into foreign hands, a trend which has gathered pace with the advent of the White and his wife, Lesius, under contract to British Aerospace, set up a small textiles business for their children in the village of Leuven, near Koortrijk, in 1986.

Not quite 100 years later, De Witte Lister, the only quoted company in the world-reowned Belgian textiles sector, is itself in the throes of an important transformation following the decision of its third generation family owners to sell the business to Gamma Holding, the biggest textiles group in the Netherlands.

The BFR2.16bn deal concluded this month is another example of a leading Belgian concern passing into foreign hands, a trend which has gathered pace with the advent of the White and his wife, Lesius, under contract to British Aerospace, set up a small textiles business for their children in the village of Leuven, near Koortrijk, in 1986.

Not quite 100 years later, De Witte Lister, the only quoted company in the world-reowned Belgian textiles sector, is itself in the throes of an important transformation following the decision of its third generation family owners to sell the business to Gamma Holding, the biggest textiles group in the Netherlands.

The BFR2.16bn deal concluded this month is another example of a leading Belgian concern passing into foreign hands, a trend which has gathered pace with the advent of the White and his wife, Lesius, under contract to British Aerospace, set up a small textiles business for their children in the village of Leuven, near Koortrijk, in 1986.

Not quite 100 years later, De Witte Lister, the only quoted company in the world-reowned Belgian textiles sector, is itself in the throes of an important transformation following the decision of its third generation family owners to sell the business to Gamma Holding, the biggest textiles group in the Netherlands.

The BFR2.16bn deal concluded this month is another example of a leading Belgian concern passing into foreign hands, a trend which has gathered pace with the advent of the White and his wife, Lesius, under contract to British Aerospace, set up a small textiles business for their children in the village of Leuven, near Koortrijk, in 1986.

Not quite 100 years later, De Witte Lister, the only quoted company in the world-reowned Belgian textiles sector, is itself in the throes of an important transformation following the decision of its third generation family owners to sell the business to Gamma Holding, the biggest textiles group in the Netherlands.

The BFR2.16bn deal concluded this month is another example of a leading Belgian concern passing into foreign hands, a trend which has gathered pace with the advent of the White and his wife, Lesius, under contract to British Aerospace, set up a small textiles business for their children in the village of Leuven, near Koortrijk, in 1986.

Not quite 100 years later, De Witte Lister, the only quoted company in the world-reowned Belgian textiles sector, is itself in the throes of an important transformation following the decision of its third generation family owners to sell the business to Gamma Holding, the biggest textiles group in the Netherlands.

The BFR2.16bn deal concluded this month is another example of a leading Belgian concern passing into foreign hands, a trend which has gathered pace with the advent of the White and his wife, Lesius, under contract to British Aerospace, set up a small textiles business for their children in the village of Leuven, near Koortrijk, in 1986.

Not quite 100 years later, De Witte Lister, the only quoted company in the world-reowned Belgian textiles sector, is itself in the throes of an important transformation following the decision of its third generation family owners to sell the business to Gamma Holding, the biggest textiles group in the Netherlands.

The BFR2.16bn deal concluded this month is another example of a leading Belgian concern passing into foreign hands, a trend which has gathered pace with the advent of the White and his wife, Lesius, under contract to British Aerospace, set up a small textiles business for their children in the village of Leuven, near Koortrijk, in 1986.

Not quite 100 years later, De Witte Lister, the only quoted company in the world-reowned Belgian textiles sector, is itself in the throes of an important transformation following the decision of its third generation family owners to sell the business to Gamma Holding, the biggest textiles group in the Netherlands.

The BFR2.16bn deal concluded this month is another example of a leading Belgian concern passing into foreign hands, a trend which has gathered pace with the advent of the White and his wife, Lesius, under contract to British Aerospace, set up a small textiles business for their children in the village of Leuven, near Koortrijk, in 1986.

Not quite 100 years later, De Witte Lister, the only quoted company in the world-reowned Belgian textiles sector, is itself in the throes of an important transformation following the decision of its third generation family owners to sell the business to Gamma Holding, the biggest textiles group in the Netherlands.

The BFR2.16bn deal concluded this month is another example of a leading Belgian concern passing into foreign hands, a trend which has gathered pace with the advent of the White and his wife, Lesius, under contract to British Aerospace, set up a small textiles business for their children in the village of Leuven, near Koortrijk, in 1986.

Not quite 100 years later, De Witte Lister, the only quoted company in the world-reowned Belgian textiles sector, is itself in the throes of an important transformation following the decision of its third generation family owners to sell the business to Gamma Holding, the biggest textiles group in the Netherlands.

The BFR2.16bn deal concluded this month is another example of a leading Belgian concern passing into foreign hands, a trend which has gathered pace with the advent of the White and his wife, Lesius, under contract to British Aerospace, set up a small textiles business for their children in the village of Leuven, near Koortrijk, in 1986.

Not quite 100 years later, De Witte Lister, the only quoted company in the world-reowned Belgian textiles sector, is itself in the throes of an important transformation following the decision of its third generation family owners to sell the business to Gamma Holding, the biggest textiles group in the Netherlands.

likely to be sympathetic to his plans for expansion than his less knowledgeable family shareholders, and which neatly complements the Koortrijk company's product range. With turnover of more than F1.775m, Gamma comprises about 30 specialised units throughout Europe and is a leader in exotic clothes destined for the African market.

De Witte, meanwhile (turnover BFR2.57m in 1988) boasts three main activities: cotton spinning (13 per cent of sales), household linen (roughly 44 per cent) and materials for the car industry (also around 44 per cent).

Mr Nierynck says spinning is not an integral part of De Witte's strategy but a traditional service which has been provided for the region's smaller companies. Only 30-35 per cent of production is used in house.

"Some years it is very profitable, other years it is not," he says, "much as it is up and down business," explains Mr Nierynck philosophically.

Most of De Witte's investment - likely to be of the order of BFR200m to BFR300m for the next two to three years - has been going into the other two legs of the business.

On the automobile side, De Witte supplies many of the big European manufacturers, plus Toyota of Japan and Zil Limousines in the Soviet Union, with materials for car seats, door panels and ceiling.

It is a competitive business in which the Flemish company is up against rivals such as Courtaulds in the UK, Thierry in France and Abel of Austria, and which requires the company to respond to the rapidly changing requirements of its customers.

"All the decisions are taken outside Belgium," says Mr Nierynck. "With car output

shifting from centre to centre our customers decide where they want us to deliver our products."

Another challenge is shifting fashion. "At the moment the tendency is to put velvet in, one of the few products that we don't make - is part of the Gamma product range."

Household textiles (napkins, sheets, table cloths etc) is a more stable "third leg" to De Witte's activities though the market certainly doesn't stand still either.

There are two main outlets - the "private" market which means department stores and mail order - and the "contract" side for hotels, restaurants, hospitals and public administration offices.

Here De Witte has recently built a new factory with the aim of becoming a European market leader while Mr Nierynck points out that the growth of hotels and tourism has proved highly profitable all over the world.

Returning to the Gamma deal, he points out that "it would not have happened if the family hadn't wanted to sell."

There were no financial pressures - the recent sale of a minority stake in a Belgian carpet making business, which has enabled De Witte to repay most of its long term debt - "but it is the best way to guarantee our survival in the world beyond 1992," he argues.

David Buchan

Tim Dickson

Mr Depre, who came from Dijon, near the Wall Street investment bankers, is in no doubt about the "huge" market potential and believes that Flanders and Belgium are about five years behind the Netherlands, and seven to eight behind the UK.

"To do well we will have to be quicker than the competition," he says in a reference to established players such as Petercam, Banque de Groef, and Kredietbank.

An important element to Lesius' success, he believes, will be the use it is able to make of its close shareholder network, in which no less than half Belgium's industries are represented.

Tim Dickson

well-known Flemish businessmen - but outside institutional investors are being approached, including British, French and Dutch participants.

"We will definitely not be into venture and seed financing," says Mr Depre. "Ideally we will be aiming for large minority stakes in about eight to 10 companies with a proven track record, which we can help by improving their capital structure, advising on their strategy, expanding their horizons in view of 1992, and ultimately bringing to the stock market."

Mr Depre, who came from Dijon, near the Wall Street investment bankers, is in no doubt about the "huge" market potential and believes that Flanders and Belgium are about five years behind the Netherlands, and seven to eight behind the UK.

"To do well we will have to be quicker than the competition," he says in a reference to established players such as Petercam, Banque de Groef, and Kredietbank.

An important element to Lesius' success, he believes, will be the use it is able to make of its close shareholder network, in which no less than half Belgium's industries are represented.

Tim Dickson

well-known Flemish businessmen - but outside institutional investors are being approached, including British, French and Dutch participants.

"We will definitely not be into venture and seed financing," says Mr Depre. "Ideally we will be aiming for large minority stakes in about eight to 10 companies with a proven track record, which we can help by improving their capital structure, advising on their strategy, expanding their horizons in view of 1992, and ultimately bringing to the stock market."

Mr Depre, who came from Dijon, near the Wall Street investment bankers, is in no doubt about the "huge" market potential and believes that Flanders and Belgium are about five years behind the Netherlands, and seven to eight behind the UK.

"To do well we will have to be quicker than the competition," he says in a reference to established players such as Peter

FLANDERS 3

Belgium's last mines are rapidly being closed down. David Buchan reports

A cavalier approach wins the day

"IT WILL be a city created by and for Europeans, where all nationalities will be able to meet, and which will be accessible and alive each day of the year" - publicity brochure for ERC. "If it works, OK; if it doesn't, we're going to get the biggest ghost town in Europe" - local industry journalist.

The "it" is ERC, standing for Education, Recreation, Culture. These are to be the three themes for what is eventually meant to be Europe's BFR30bn riposte to Disneyworld, encompassing a film city, garden park, amphitheatre, golf course, theatre, artfactory, exploratorium, and football stadium, centred on the old Limburg mines and spread over 2,000 hectares.

Phoenix-like, a new city is supposed to arise from the

The Limburg miners have long sat on a special pedestal

slagheaps of the Waterschei mine, outside Gent. Indeed one such slag heap is to be kept black and pointing to the sky (while others are levelled off and landscaped); grey slagde pools will become a blue lake; and Dickensian mine buildings will house a permanent museum of European cinema.

The man behind what must be the largest coal reconversion plan conceived in Mr Thyl Gheysels' brought in three years ago to turn around Belgium's last remaining coal-mines in the Flemish province of Limburg. He has done that, by shutting them down quicker than anyone ever thought possible.

ERC apart, there are two shocking things about what Mr Gheysels has done. One is that anyone should dare treat coal miners so cavalierly, just like any other industry. As elsewhere in Europe, the Limburg miners have, because of the toughness of their livelihood, long sat on a special pedestal - to the extent that in Belgium the only unroyal visage on the money is that of a miner on the half franc. A previous bid to close mines back in 1966 led to riots that killed three people, and for the subsequent 20 years this deterred anyone from pushing closures too hard.

Second, Mr Gheysels has been backed by the Flemish Government. That he should have been supported by the central Government in closing

down three of the five mines within 14 months of his appointment as chief of the Kempensteenkoolmijnen (KS) was to be expected. Central government was, almost by definition, remote and heartless. But when the Flanders government - supposedly more caring towards its Flemish electorate and whose new economic minister, Mr Norbert De Batselier, is a socialist with union connections - backed Mr Gheysels' audacity in suggesting that the last mine be closed by the end of 1991, then clearly something very odd has happened.

After another plan to cut 3,000 mine jobs died at the hands of striking miners in 1986, a despairing Belgian government decided that it needed a tough outsider to sort out the mess. It had called in a Frenchman, Mr Jean Gaudois, to sort out the ailing steelmaker, Cockerill Sambre, in Wallonia. So it head-hunted Mr Gheysels from his post in charge of Shell operations in Portugal.

Mr Gheysels, though a Belgian passport holder, had spent so much time around the world in the service of the Dutch multinational as to qualify as a "virtual" foreigner. Indeed Limburgers dub him "the Dutchman".

There is a certain parallel with Mr Ian Macgregor, the Scots-American, brought in by Mrs Thatcher to cut Britain's steel and coal down to size. "But at that stage," says Mr Gheysels, "the Government just wanted to halve the losses" which had mounted to an enormous BFR13bn a year.

He came up with a much more brutal conclusion - that "economically, technically, there was no longer any justification for producing one single tonne of coal in Belgium."

More than 60 years of mine workings has meant that men have to travel at least an hour underground before they reach coal faces. By 1986 the government subsidy of BFR1.2m per coal miner was exactly equal to a miner's total annual pay.

In other words, says Mr Gheysels, "the country would have no worse off if the miners had stayed in their beds."

So for the man from Shell, closure of the mines was, from day one, simply a social problem. But solution to the problem could only be reached if all three parties in the affair could be satisfied - the KS miners who were more interested in getting money than digging

coal, the surrounding community with its interest in the miners' purchasing power, and the taxpayers who did not want to go on pouring money into the ground.

The key was to set a money limit on the closures - the three eastern mines were to be closed at a cost of no more than BFR28bn, with savings invested in new jobs. This was a large sum of money, but represented less than three years' subsidy. "The potential to do positive things was so great because the losses were so large," says Mr Gheysels.

Given the money at his disposal, the man from Shell had one further financial ace up his sleeve. Of various redundancy terms that included work in the remaining two KS mines, the most generous was BFR800,000 net of tax, with the proviso that anyone who accepted it would have to leave at a time of the company's choosing. This proved by far the most popular option, as the management had hoped; for it wanted to avoid the usual situation in which the best quit first, thus disrupting, even endangering, an orderly run-down of the mine.

The upshot was that the three mines were closed not in seven years, as many had forecast, but in seven months, leaving BFR11bn unspent out of the allotted BFR28bn. With



Thyl Gheysels: the man behind the coal reconversion plan that will see a new city built on the site of the Waterschei mine, outside Gent (above)

BFR3bn of this windfall, and a matching BFR2bn from the Flanders Government, the Limburg Investment Company (LIM) was started up to to generate alternative employment.

Some BFR7bn, is to be invested in the ERC project. Mr Gheysels says he will get another BFR1.5bn from the Flanders Government, and when all the feasibility work on ERC is completed, sometime later this year, he will be seeking seven other partners, mainly from other European countries, to take a share.

On the two western mines,

Mr Gheysels has done a deal with the Flanders Government which took over responsibility for the mines in January 1989, as part of the latest devolution. The mines will be closed by the end of 1991, not 1996 as earlier planned by the central Government, though miners have been guaranteed work and income until 1996.

Savings (from the existing level of subsidy) would be split 50/50 between KS and the Flanders Government. Each, in the event, will get about BFR1bn. At present, there are still about 3,500 miners, of which about



1,500 will take their money and run. However, some 2,000 of them want to stay on until 1996 to get the miners' pension that comes automatically after 20 years service.

As many of these would-be pensioners are only in their late 30s or early 40s, Mr Gheysels has conceived the idea of going temporarily into construction. To this end, KS has bought majority control of a Ghent-based building company that happens to have a lot of managers but few hod carriers.

"At the moment, we only know how to dig coal out of

the ground," says Mr Gheysels. "We have 21 months (until end-1991) to gear up for other activities."

He seems confident of success. Others are less so. Mr Eddie Graller, secretary of the local socialist cell of the mine workers' union, is concerned lest the ERC project becomes a sort of "open air" pit, which if not profitable might have as sorry an effect on the local community as the original mines.

In the headquarters of the Limburg development authority in Hasselt, officials give Mr

Gheysels their backing, but are not very hopeful of finding alternative jobs for some 1,500 Turkish and Moroccan miners whose lack of basic Flemish ill fits them for most above-ground jobs.

But the man from Shell scoffs at the doubters, "particularly those people who having had no thought about past subsidies now worry about profitability."

Limburg, a traditional backwater of Flanders, needs to take some risks "if it is to seize its chance to catch up with the rest of the region," he says.

Yes, we do cut the most brilliant diamonds.



Photography: P.G.S., GHENT, FLANDERS.

Marvel at them. But also take the time to discover other facets of Flanders.

Like our development of "Transgenic Plants". We implant bacterial genes that produce proteins lethal to caterpillars. It made news throughout the world.

And then there's the generalized commercial solution to the problem of producing hybrid seeds: a new genetic engineering technique that produces sterile stamens.

In medications, microelectronics, and telecommunication, too, we're the high-tech diamond of Europe. And our historical cities are set in a gastronomic and artistic paradise.

Do you have something in mind for Flanders? Do you need specific information? Just fax your questions to the Department of International Relations of the Government of Flanders in Brussels: 32 2 230.98.34.



FLANDERS
THE SKILLFUL HEART OF EUROPE



PROFILE: multinational group

Not just a family affair

SMALL, family-run businesses are the rule in west Flanders. Bekaert, however, is the exception that proves such rules are worth breaking.

The Kortrijk-based group has become the only genuinely Flemish multinational, the world's largest maker of steel wire and cord, with a turnover last year of BFR1.5bn and more than 10,000 people on its direct payroll and another 8,000 in associated companies.

A little more than a century ago, Leo Leander Bekaert started making barbed wire for local farmers. Today the company that bears his name buys some 1.5m tonnes of steel wire rod a year and stretches and coats it to make everything from garden fences, high-tension cables for suspension bridges, steel cord for radial

of its two main product lines - wire and steel cord. In the first of these sectors, a large move was the 1989 purchase of majority control of TWIL, the Sheffield wire product maker (still 40 per cent owned by British Steel). TWIL has become the core of Bekaert's industrial wire operations in Europe, with direct responsibility for speciality and general wire products remaining in Kortrijk.

Bekaert claims to have captured half of the recent growth in world demand for steel cord, so that it accounts for 35 per cent of the world market (and more if companies that integrate steel cord and car-related manufacture are excluded). Mr Vinck predicts growth in this sector will slacken in the early 1990s as the US and Japan join Europe in moving over to steel-reinforced radial tyres. So, to maintain its overall growth, what should Bekaert move into next?

Mr Vinck is decidedly coy here, saying that Bekaert should get into products "based on our technological strength and which we understand." The only clue he gives about new ventures is that they should exploit Bekaert's expertise in metal coating. Diversification has so far been a mirage. Back in 1981, for instance, Bekaert declared its intention to have within a decade a quarter of turnover in products in which it was not at that time involved.

In fact, the company's range has spread a bit in recent years, into fibres, composite materials, and the service sector with its Bekaert-Stanwick consultancy. Mr Vinck admits that Belgian companies channel their R & D efforts too much into process ("how to make") rather than products ("what to make"), because too many businesses are run by engineers. But he exempts from this criticism himself - he also has a management degree from the US - and Bekaert, which, he says, has always been very oriented towards its customers' needs. Diversification will be the test of whether Mr Vinck is right.

Given the sorry early 1980s business climate, the company attempted a re-think of its strategy, but was forced back, says Mr Vinck, to the conclusion that it must first try to achieve world dominance in its specialities before it could seriously consider diversifying into other sectors.

Since then, it has forged ahead down the parallel tracks

David Buchan

Bekaert's range has seen some expansion in recent years

tyres, to stainless steel to insulate booster rockets in the US Space Shuttle programme.

Bekaert's post-war history contains two milestones. In 1970 the Bekaert family broke with west Flanders tradition and floated the company on the Brussels stock exchange, though today it still retains 48 per cent of the equity with much of the rest owned by Belgian institutional investors.

The flotation paved the way for a large expansion, not only in Belgium but also Spain, the US, even as far afield as Brazil. The second milestone came in 1983 with the Bekaert family agreed to give the chief executive's job to an outsider - Mr Karel Vinck, an engineer with previous experience in the Belgian building industry.

Given the sorry early 1980s business climate, the company attempted a re-think of its strategy, but was forced back, says Mr Vinck, to the conclusion that it must first try to achieve world dominance in its specialities before it could seriously consider diversifying into other sectors.

Since then, it has forged ahead down the parallel tracks

Japanese

the loo

VESTCO

FLANDERS 4

Floral treats abound, says Eugenie Maechling

Gardens that beckon a spring-time visitor

MORE THAN poppies grow in the fields of Flanders and for those tourists who prefer gardens and greenhouses to museums, spring is the time to visit the Flemish coast and countryside.

After a good seafood meal at Ostende head east along the coast to the chic seaside resort of Knokke-Heist. There in the middle of town is a greenhouse with a difference.

It contains not only tropical plants but over 300 exotic butterflies that flutter about settling on the visitor's arm or head. This sanctuary (at Bronlaan 14) is run by the same private company that manages the astonishing nature reserve Het Zwijn just outside Knokke-Heist.

The reserve covers about 150 hectares of sand dunes and salt marshes sheltering colonies of migratory birds and rare species of plants and flowers. About two-thirds of the domain is accessible to the public and the rest by special appointment.

From the coast it is less than an hour's drive to Bruges where, as Arnold Bennett once commented, one is "assailed on every side by the picturesque." In April there are few spots in the world as lovely as the silent courtyard of the Beguinage covered with daffodils surrounded by the white-washed brick facades of the convent buildings.

Outside, along the Minnewater, there are a few simple but attractive cafes where the foot-

sore may recover their spirits. Fortunately there are other ways to get about Bruges than on foot, such as horse-drawn carriages or a boat along a canal.

While others are exploring museums, seek retreat in the delightful sculpture garden, the Arentspark next to the Brangwyn museum. This is one of the loveliest spots in Bruges connected to the imposing Gruuthusemuseum by the Bonifaciusbrug, a humpbacked bridge over the River Reie that provides charming views in every direction.

To ferret out the rest of Bruges, take a copy of a new guide by Derek Ryle, *Flemish Cities Explored*, which in the tradition of the old Baedekers describes a series of walks through the town.

If Bruges is too crowded, a trip to the chateau of Loppem,

In April there are few spots as lovely as the silent courtyard of the Beguinage

five kilometres away, provides a stunning example of Flemish neo-gothic architecture (curiously enough designed in the 1850s by the English architect Edward Welby Pugin). The baronial interior of the chateau is well preserved and open to the public as is the park and gardens which includes a tortuous labyrinth more

than two kilometres in length.

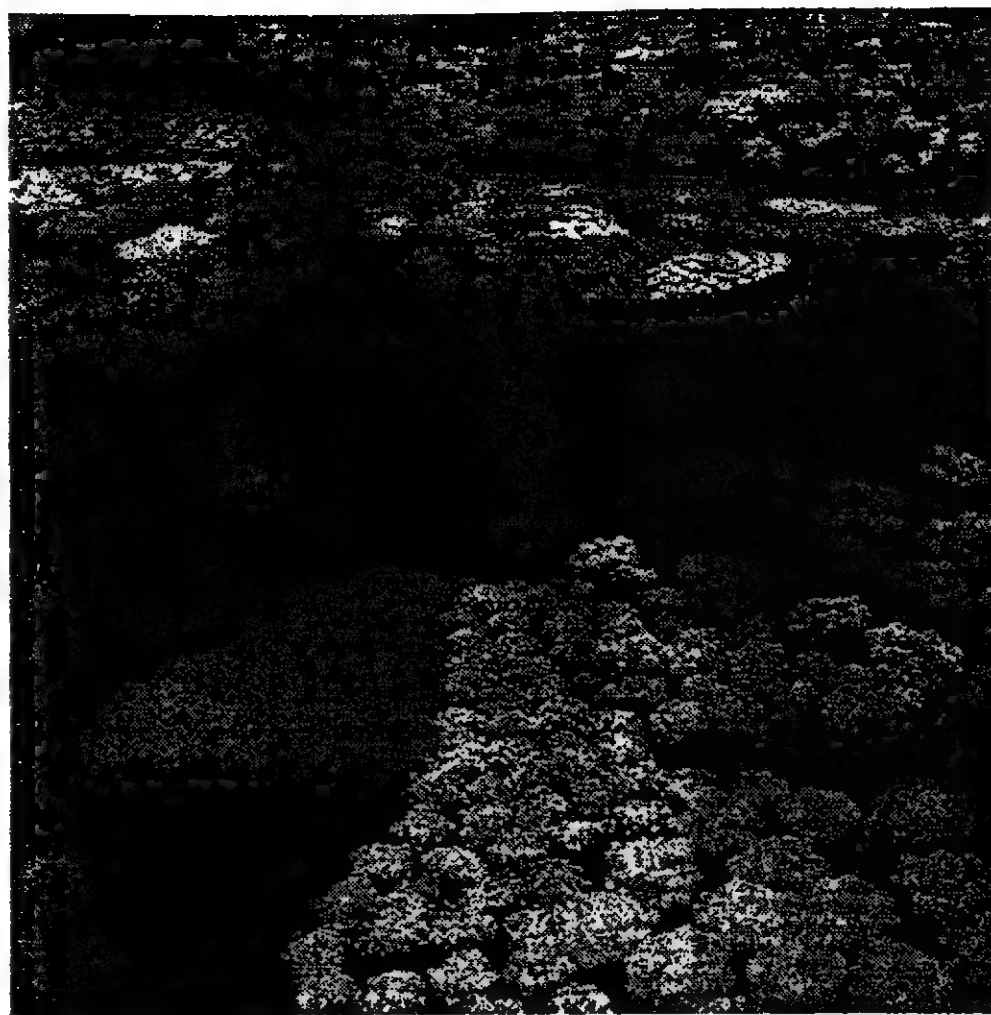
Not far from Loppem is the abandoned gothic chateau of Tillegem surrounded by a moat and approached through an overgrown park that retains some of the vestiges of the formal gardens and outbuildings which have fallen into disuse over the past few decades.

Tillegem has suffered the fate of several other chateaux in Flanders: the French speaking aristocratic owners have long since died out and the property has been left to a local commune with slender resources for its restoration or maintenance.

Taking the road back to Brussels a stop at Ghent is a must for any tourist/gardener. In the last week of April, Ghent stages its answer to the Chelsea Flower Show, the *Floralies*. The first Ghent flower show took place in 1899 and since the end of the Second World War it has been held every five years.

This year (April 21-28) the exhibition takes over the Expo centre on the outskirts of Ghent but in previous years it was held in the Citadel Park next to the University Botanical Gardens. These are worth a visit because of the clever use of a very limited space that is packed with a variety of landscapes and plant types.

To the east of Ghent the moated chateau and park of Laarne was originally one of the three medieval fortresses that guarded the plains around the city and it preserves the



In the last week of April, Ghent stages the *Floralies*, its answer to the Chelsea Flower Show

atmosphere and style of a feudal keep. Transformed from a fortress into a chateau during the 18th century, Laarne was restored in the 1960s and houses gothic tapestries, furnishings and a collection of gold and silverwork.

To the south-west of Ghent on the banks of the river Lys,

the chateau of Oudonk resembles a somewhat fanciful Flemish version of a Cambridge college. Although it was originally a fortification for Ghent, its reconstruction in the late 18th century gave it a series of bulb-shaped towers surrounding its perfectly symmetrical, nicely rounded wings.

Its lawns seem ideally suited to croquet or cricket which adds to its college atmosphere. The interior, however, is purely 18th century French with collections of paintings, tapestries and other furnishings.

On the way back to Brussels on the north-west side lies one of the finest Belgian chateaux, Grand Buisson. Charles Baudeleire, no admirer of Belgium otherwise, wrote of this chateau that "there everything was orderly and beautiful, luxurious calm and desirable."

It is a remarkable example of Flemish Renaissance architecture approached across a river

through a garbouse that leads into a formal park with paths that lead like spokes off to other parts of the garden.

Heading back into Brussels from Grand Buisson, a final stop for the gardening tourist must be at the Royal Greenhouses of Laeken just to the north of the city.

These spectacular structures are only open once a year from the end of April through the first week of May. The greenhouses seem to cascade down the hillside as one descends through glass tunnels hung with fuchsia of every variety whose walls are covered with climbing geraniums.

The displays of azaleas are wonderfully garish and the hothouses drip with tropical blossoms. At this point one has literally crossed the frontier, away from the fields and history of medieval Flanders and into an environment redolent of the Belgian Congo and the country's imperial past.

THE CHEMICALS INDUSTRY

Undeterred by export worries

INVESTMENT in the chemicals industry is on the increase, undeterred by the recent contraction of some of its leading export markets.

Mr Paul Launoy, economic adviser to the Belgian Chemical Industry Federation, says turnover for the country reached BFR624bn last year, up 10.3 per cent compared with 1988, with more than two-thirds generated in Flanders.

Antwerp is the fastest-growing centre and the magnet that has attracted the main chemical groups which, with the notable exception of Solvay, are all foreign-owned.

Agfa-Gevaert, the largest with more than 10,000 employees, is located outside the main port area which houses the local subsidiaries of BASF, Bayer, BP, Monsanto, SM and Union Carbide.

Other main centres include Tessenderlo on the Ghent-Liege Canal and Ghent, specialised in basic chemicals and aromatics. Around these centres are scattered hundreds of small speciality producers.

Development at Tessenderlo stalled when the local west Flanders authority refused to extend its waste disposal site.

But this aside, the influence of the environmental lobby has been relatively slight. Experts say new EC production standards and restrictions on the use of certain chemicals and plastics represent the greatest environmental challenge.

This year, investment is expected to reach BFR60bn, with more than 60 per cent in basic chemicals. This continues the growing record since the mid-1980s with investment rising from BFR64.4bn in 1987 to BFR75.7bn in 1988 and BFR70bn last year.

Although the industry has opposed negotiations, it appears unruffled by the prospect of a free trade agreement with the six-member Gulf co-operation council, that would give Gulf exporters free access to the EC market at the end of an eight to 15-year transition period.

However, the mood of eco-

nomic optimism has been dampened by gaping and growing staff shortages.

Mr Albert Janssens de Bie-thoven, director of social affairs, warns that future prosperity is constrained by a shortage of skilled labour: "There are major shortages both of university graduates and technically-trained school leavers," he says. The industry is the single largest employer in Flanders, with more than 102,000 people in 800 companies across Belgium.

Export-oriented production, with more than 70 per cent of turnover generated abroad, means language skills are vital. Specialisation is less important than aptitude in an area where a high level of job mobility within companies and across the industry demands versatility.

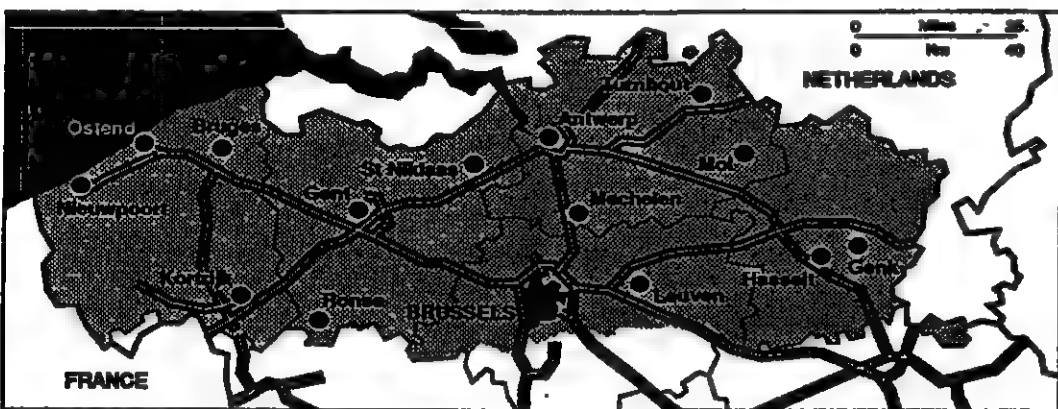
"A national ban on night work for women rules them out of continuous shift work. Overall, women account for only 21 per cent of staff, although this is 29 per cent and rising among white collar workers," Mr Janssens de Bie-thoven says.

The industry is combating the skills shortage by setting up its own in-house apprenticeship scheme for school leavers offering training two days a week. The programme, which trains process operators and began in Antwerp in 1987, is expected to take 100 trainees this year.

In the ammonia sector, where natural gas accounts for some 80 per cent of production costs, competition from Trinidad and Tobago and the Soviet Union caused local prices to fall by half to about \$110 a tonne. Belgian ammonia producers, who are bound to buy North Sea gas from the state-run Distrigaz, are considering involving legislation dating from 1983 which would allow them to break the monopoly to protect vital national interests.

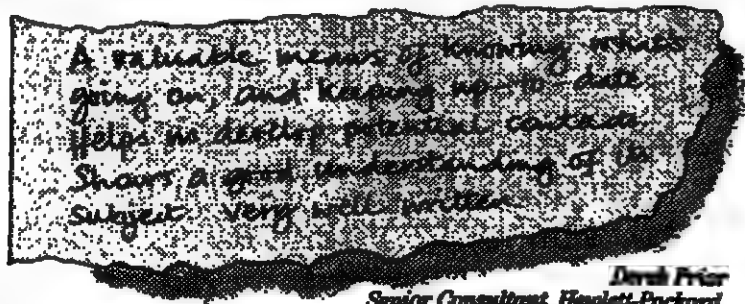
Belgium has a glut of gas but the monopoly's stranglehold over supply is forcing large consumers to consider importing from their subsidiaries in the way BASF did in West Germany via Wintershall.

Lucy Wadlow



Get £66 worth of essential business information free

Subscribe to *FinTech* newsletters, and seize the initiative before your competitors.



This comment explains why so many people in key management positions rely on *FinTech*—the specialist fortnightly newsletters from the Financial Times Business Information service. Shouldn't you be sharing the advantage?

Get up-to-the-minute information on how new technology affects your industry... markets... investments... competitive performance. Simply select the newsletter most pertinent to your business:

- Telecom Markets
- Advanced Manufacturing
- Electronic Office
- Mobile Communications

Get all four *FinTech* newsletters FREE

To help you choose, send now for the newsletter covering your interests. If you wish, ask for all four. Normally, this complete set costs \$66 a fortnight, but you can sample *FinTech* FREE of charge. Simply write to Mark Brooks at...

FINTECH

FT Business Information Ltd. 30 Epsom Rd, Guildford, Surrey, GU1 3LE

or call Mark on...

0483 576144

PROFILE: Andre Leysen

The case for a global outlook

THE FLEMISH were right to have fought to establish their cultural identity, but they should not become provincial in business warns one of Flanders' premier industrialist/financiers.

Mr Andre Leysen, a pillar of the Flemish business establishment, says that for Flanders, in the heart of Europe, "our vocation is an international one", and he cautions against economic xenophobia taking root.

On the national level, he is very much opposed to a current draft law which would give central Government the right to vet all sizeable sales of Belgian assets to foreigners. On the regional level, he believes "the possibility of Flanders having its own economic policy is limited when even Belgian economic policy is really made in places such as Bonn and Washington."

Maybe, he says, "some peoples' hearts will beat faster, if they think capital in Flanders can be kept in Flemish hands." But this is an illusion. The reality is that "most of Flanders' big industry is in what I would call Nordic hands - German, Scandinavian, Dutch, even the US and UK - while its finance is French-dominated." Examples include the big Belgian insurance companies, and Société Générale de Belgique, controlled by the Suez Group.

"We can live very well with this," he says. In any case, he adds, the sums of money which the Flanders Government has to invest are too marginal to reduce this foreign domination of the commanding heights of the Flemish economy.

Such views are rather to be expected from a man who used to head the Belgian end of Agfa-Gevaert, the joint Belgo-German photographic company, until he sold it to Bayer, the West German partner. (Such 50/50 companies are unworkable, he concludes, not least because of lack of any common European tax regime.) He and other Flemish investors put the proceeds of the sale into Gevaert, now one of the biggest financial holding companies in Flanders. But Gevaert is hardly a Flemish economic nationalist in its principles - one of its largest shareholders is Cobepa of France, while its portfolio is heavily German and Dutch. Gevaert, of course, grew when it made a BFR5bn profit by taking a quick stake in

Société Générale at the outset of the De Besselièvre battle two years ago, ostensibly to thwart the Italian and then selling out to him.

Mr Leysen does not see this as contradictory: "I was never against a foreign company taking a large slice of Société Générale, which needed shaking up. I just wanted to structure the shake-up around a co-operation between Belgian and other interests."

David Buchanan

FINANCIAL TIMES SURVEYS

1990 RELATED SURVEYS

Rhone Alpes	March 27
Europe's Offshore Financial Centres	March 29
Switzerland	April 2
Transport Links with the Continent	April 5
European Investment Locations	June
Netherlands Finance & Investment	June
Belgium	June
1992: Redrawing The Map of Europe	June
Austria	June
France	June

FOR ADVERTISING INFORMATION
CALL Sandra Lynch: 071-673-4199

THE BELGIAN RAILWAYS: INTERNATIONAL QUALITY CONNECTIONS

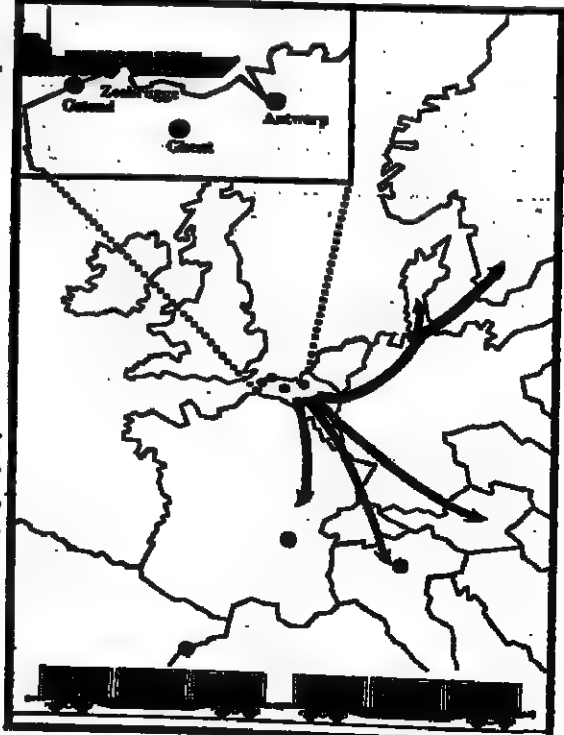
The Belgian Railways offer numerous direct connections between the Flemish ports (Antwerp, Zeebrugge, Ghent, Ostend) and the continental hinterland.

FOR CONTAINERS AND COMBINED TRANSPORT

ROTTERDAM	03 Hrs.
HAMBURG	16 Hrs.
BASEL	10 Hrs.
LYON	17 Hrs.
BARCELONA	27 Hrs.
MILAN	32 Hrs.

FOR CONVENTIONAL WAGON LOADS

- INTERDELTA: direct connection to Southern France.
- SCALDO: express route to Austria and the East European Countries.
- NORLINK: between Belgium and Scandinavia.
- PORTA D'ITALIA: express service to Northern Italy.



These new European products are covered by EURAILCARGO, the international rail transport guarantee of quality:

- Rapid transit;
- Guaranteed time delivery;
- Financial compensation, if transit time exceeds specification.

For further information, contact:
Belgian Railways - Sales & Marketing Department
Tel. 02/525.43.21
Ravenstein 60
B 1000 - Brussels - Belgium



FT GUIDE TO WORLD CURRENCIES

The table below gives the latest available rates of exchange (rounded) against four key currencies on Friday May 4, 1990. In some cases the rate is nominal. Market rates are the average of buying and selling rates except where they are shown to be otherwise. In some cases market rates have been calculated from those of foreign currencies to which they are tied.

COUNTRY	£ STG	US \$	D-MARK	YEN	COUNTRY	£ STG	US \$	D-MARK	YEN	COUNTRY	£ STG	US \$	D-MARK	YEN
Algeria (Algeria)	99.28	99.991	35.7657	97.728	Colombia (Colombia)	262.43	280.5000	167.7945	177.2140	Poland (Poland)	35.40	21.5253	12.7647	13.4728
Algeria (Algeria)	10.1117	6.5013	3.6388	1.8884	Croatia (Croatia)	27.50	1.7000	1.0000	1.0000	Portugal (Portugal)	1.0000	0.9999	0.9999	0.9999
Algeria (Algeria)	11.116	7.5977	4.7495	0.0161	Czech Republic (Czech Rep)	27.50	1.7000	1.0000	1.0000	Romania (Romania)	27.50	1.7000	1.0000	1.0000
Algeria (Algeria)	9.5125	5.9999	3.5999	1.8884	Denmark (Denmark)	27.50	1.7000	1.0000	1.0000	Saudi Arabia (Saudi Arabia)	27.50	1.7000	1.0000	1.0000
Algeria (Algeria)	1.13.15	1.04.277	1.02.484	1.05.752	Egypt (Egypt)	27.50	1.7000	1.0000	1.0000	South Africa (South Africa)	27.50	1.7000	1.0000	1.0000
Algeria (Algeria)	49.5454	25.9190	17.8542	18.8542	France (France)	27.50	1.7000	1.0000	1.0000	Spain (Spain)	27.50	1.7000	1.0000	1.0000
Algeria (Algeria)	4.4444	2.0000	1.0000	1.0000	Germany (Germany)	27.50	1.7000	1.0000	1.0000	Sweden (Sweden)	27.50	1.7000	1.0000	1.0000
Algeria (Algeria)	651.4	308.9674	209.999	333.2400	Greece (Greece)	27.50	1.7000	1.0000	1.0000	Switzerland (Switzerland)	27.50	1.7000	1.0000	1.0000
Algeria (Algeria)	2.9490	1.7763	1.0000	1.1225	Hong Kong (Hong Kong)	27.50	1.7000	1.0000	1.0000	Taiwan (Taiwan)	27.50	1.7000	1.0000	1.0000
Algeria (Algeria)	1.1490	0.7000	0.7000	0.7000	India (India)	27.50	1.7000	1.0000	1.0000	Thailand (Thailand)	27.50	1.7000	1.0000	1.0000
Algeria (Algeria)	1.1490	0.7000	0.7000	0.7000	Indonesia (Indonesia)	27.50	1.7000	1.0000	1.0000	Turkey (Turkey)	27.50	1.7000	1.0000	1.0000
Algeria (Algeria)	1.1490	0.7000	0.7000	0.7000	Iran (Iran)	27.50	1.7000	1.0000	1.0000	United Kingdom (United Kingdom)	27.50	1.7000	1.0000	1.0000
Algeria (Algeria)	1.1490	0.7000	0.7000	0.7000	Israel (Israel)	27.50	1.7000	1.0000	1.0000	United States (United States)	27.50	1.7000	1.0000	1.0000
Algeria (Algeria)	1.1490	0.7000	0.7000	0.7000	Italy (Italy)	27.50	1.7000	1.0000	1.0000	West Germany (West Germany)	27.50	1.7000	1.0000	1.0000
Algeria (Algeria)	1.1490	0.7000	0.7000	0.7000	Japan (Japan)	27.50	1.7000	1.0000	1.0000	Yugoslavia (Yugoslavia)	27.50	1.7000	1.0000	1.0000
Algeria (Algeria)	1.1490	0.7000	0.7000	0.7000	Korea (Korea)	27.50	1.7000	1.0000	1.0000					
Algeria (Algeria)	1.1490	0.7000	0.7000	0.7000	Malaysia (Malaysia)	27.50	1.7000	1.0000	1.0000					
Algeria (Algeria)	1.1490	0.7000	0.7000	0.7000	Mexico (Mexico)	27.50	1.7000	1.0000	1.0000					
Algeria (Algeria)	1.1490	0.7000	0.7000	0.7000	Morocco (Morocco)	27.50	1.7000	1.0000	1.0000					
Algeria (Algeria)	1.1490	0.7000	0.7000	0.7000	Netherlands (Netherlands)	27.50	1.7000	1.0000	1.0000					
Algeria (Algeria)	1.1490	0.7000	0.7000	0.7000	New Zealand (New Zealand)	27.50	1.7000	1.0000	1.0000					
Algeria (Algeria)	1.1490	0.7000	0.7000	0.7000	Norway (Norway)	27.50	1.7000	1.0000	1.0000					
Algeria (Algeria)	1.1490	0.7000	0.7000	0.7000	Philippines (Philippines)	27.50	1.7000	1.0000	1.0000					
Algeria (Algeria)	1.1490	0.7000	0.7000	0.7000	Romania (Romania)	27.50	1.7000	1.0000	1.0000					
Algeria (Algeria)	1.1490	0.7000	0.7000	0.7000	Saudi Arabia (Saudi Arabia)	27.50	1.7000	1.0000	1.0000					
Algeria (Algeria)	1.1490	0.7000	0.7000	0.7000	South Africa (South Africa)	27.50	1.7000	1.0000	1.0000					
Algeria (Algeria)	1.1490	0.7000	0.7000	0.7000	Spain (Spain)	27.50	1.7000	1.0000	1.0000					
Algeria (Algeria)	1.1490	0.7000	0.7000	0.7000	Sweden (Sweden)	27.50	1.7000	1.0000	1.0000					
Algeria (Algeria)	1.1490	0.7000	0.7000	0.7000	Switzerland (Switzerland)	27.50	1.7000	1.0000	1.0000					
Algeria (Algeria)	1.1490	0.7000	0.7000	0.7000	Taiwan (Taiwan)	27.50	1.7000	1.0000	1.0000					
Algeria (Algeria)	1.1490	0.7000	0.7000	0.7000	Thailand (Thailand)	27.50	1.7000	1.0000	1.0000					
Algeria (Algeria)	1.1490	0.7000	0.7000	0.7000	Turkey (Turkey)	27.50	1.7000	1.0000	1.0000					
Algeria (Algeria)	1.1490	0.7000	0.7000	0.7000	United Kingdom (United Kingdom)	27.50	1.7000	1.0000	1.0000					
Algeria (Algeria)	1.1490	0.7000	0.7000	0.7000	United States (United States)	27.50	1.7000	1.0000	1.0000					
Algeria (Algeria)	1.1490	0.7000	0.7000	0.7000	West Germany (West Germany)	27.50	1.7000	1.0000	1.0000					
Algeria (Algeria)	1.1490	0.7000	0.7000	0.7000	Yugoslavia (Yugoslavia)	27.50	1.7000	1.0000	1.0000					
Algeria (Algeria)	1.1490	0.7000	0.7000	0.7000										

Special Drawing Rights May 5, 1990 United Kingdom £1.000000 United States \$1.000000 Germany West 1 Mark 2.000000 Japan Yen 100 Yen 1.000000
 Abbreviations: £ Pound; \$ Dollar; DM Deutsche Mark; ¥ Yen; SDR Special Drawing Right; US Dollar; West 1 Mark 2.000000 Japan Yen 100 Yen 1.000000
 Source: Bank of America, Economics Department, London. Last updated: 1990 May 4, 1990. Source: Bank of America, Economics Department, London. Last updated: 1990 May 4, 1990.

TRADE INDEMNITY PLC 071-739 4311
 SPECIALIST EXPORT SERVICES. Tailor-made credit insurance for safe expansion into export markets.

CONTRACTS

Tarmac wins £47m office development

TARMAC CONSTRUCTION has been awarded a £47m contract for an office development in central London. The project, at the junction of Horseferry Road and Marsham Street, Westminster, is for Pearl Assurance.

The structural frame of the building, due for completion in the late summer of 1992, will be of reinforced in-situ concrete on piled foundations with a traditional stonework facade.

AWARD WINNING

Costain Homes

Laboratory
 LAING CHILDREN has won a £3.7m contract to build a laboratory and administration block for Oxford University. When complete in May 1991 the building will offer improved facilities for the plant sciences and microbiology department at South Parks Road.

Office towers for central Birmingham

An office scheme forming a gateway to Birmingham's financial and professional quarter is being built by ALFRED MCALPINE CONSTRUCTION under a £25m contract placed by the Church Commissioners.

The head of Colmore Row. Completion is scheduled for late 1991. To be known as Colmore Gate, the building will provide 165,000 sq ft of office space in the heart of the city.

Project co-ordinators and letting agents, Chesterton, keen to stress the environmentally friendly nature of the building, expect that the scheme will be one of the first to qualify for the new green building certificate launched by the Building Research Establishment.

Bovis to build three Safeway stores

NEW Safeway supermarkets are to be built at Coventry, Crewe and Weymouth by BOVIS CONSTRUCTION. The contracts are together worth more than £10m.

The building, which is based on a concrete substructure, comprises a steel frame and flat roof enhanced by a tiled mansard. It will incorporate a coffee shop, public toilets and a baby change area. Staff amenities include 600 sq ft of office, a restaurant and a lounge.

The store occupies part of the former Crewe Engineering Railway Works. The tilting Advanced Passenger High Speed Train will be displayed next to the development.

Nissan expands Sunderland car plant

Nissan Motor Manufacturing (UK), continuing to expand its car assembly plant in Sunderland, has awarded further design and management contracts worth £14.1m to SIR ROBERT MCALPINE & SONS.

The largest, at £11.5m, is for two single-storey extensions to the east and west of the paint shop, providing an additional 18,848 sq metres; and a single-storey extension to the plastic injection shop, adding 6,480 sq metres space.

Construction, on reinforced pad foundations, will be of structural steel frame, clad with composite steel panels and roofing to match the existing buildings.

Fitting out BP International's Lutyens building

TAYLOR WOODROW BUILDING CONTRACTORS has been awarded a £14m contract by BP International to fit out 1-6 Finebury Circus.

London. The Grade II listed building was designed by Sir Edwin Lutyens for the Anglo-Italian Oil Co (now BP), and was built in the early 1930s.

Fitting out will create 184,000 sq ft of office space, together with staff restaurants, private dining rooms, conference facilities, and a chairman's suite.

WORLD COMMODITIES PRICES

Commodity	Unit	Close	Previous	High/Low
Gold 100 Troy oz	£/oz	374.0	374.0	374.0
May 374.0	374.0	374.0	374.0	374.0
Jun 374.0	374.0	374.0	374.0	374.0
Jul 374.0	374.0	374.0	374.0	374.0
Aug 374.0	374.0	374.0	374.0	374.0
Silver 100 Troy oz	£/oz	408.0	408.0	408.0
May 408.0	408.0	408.0	408.0	408.0
Jun 408.0	408.0	408.0	408.0	408.0
Jul 408.0	408.0	408.0	408.0	408.0
Aug 408.0	408.0	408.0	408.0	408.0
Copper 100,000 lbs	£/ton	110.0	110.0	110.0
May 110.0	110.0	110.0	110.0	110.0
Jun 110.0	110.0	110.0	110.0	110.0
Jul 110.0	110.0	110.0	110.0	110.0
Aug 110.0	110.0	110.0	110.0	110.0
Crude Oil 1,000 bbl	£/bbl	17.0	17.0	17.0
May 17.0	17.0	17.0	17.0	17.0
Jun 17.0	17.0	17.0	17.0	17.0
Jul 17.0	17.0	17.0	17.0	17.0
Aug 17.0	17.0	17.0	17.0	17.0
Heating Oil 1,000 bbl	£/bbl	18.0	18.0	18.0
May 18.0	18.0	18.0	18.0	18.0
Jun 18.0	18.0	18.0	18.0	18.0
Jul 18.0	18.0	18.0	18.0	18.0
Aug 18.0	18.0	18.0	18.0	18.0

Commodity	Unit	Close	Previous	High/Low
SOYABEAN OIL 50,000 lbs	£/ton	32.0	32.0	32.0
May 32.0	32.0	32.0	32.0	32.0
Jun 32.0	32.0	32.0	32.0	32.0
Jul 32.0	32.0	32.0	32.0	32.0
Aug 32.0	32.0	32.0	32.0	32.0
SOYABEAN MEAL 100 tons	£/ton	180.0	180.0	180.0
May 180.0	180.0	180.0	180.0	180.0
Jun 180.0	180.0	180.0	180.0	180.0
Jul 180.0	180.0	180.0	180.0	180.0
Aug 180.0	180.0	180.0	180.0	180.0
WHEAT 5,000 bushels	£/bushel	25.0	25.0	25.0
May 25.0	25.0	25.0	25.0	25.0
Jun 25.0	25.0	25.0	25.0	25.0
Jul 25.0	25.0	25.0	25.0	25.0
Aug 25.0	25.0	25.0	25.0	25.0
BARLEY 5,000 bushels	£/bushel	20.0	20.0	20.0
May 20.0	20.0	20.0	20.0	20.0
Jun 20.0	20.0	20.0	20.0	20.0
Jul 20.0	20.0	20.0	20.0	20.0
Aug 20.0	20.0	20.0	20.0	20.0
RYE 5,000 bushels	£/bushel	15.0	15.0	15.0
May 15.0	15.0	15.0	15.0	15.0
Jun 15.0	15.0	15.0	15.0	15.0
Jul 15.0	15.0	15.0	15.0	15.0
Aug 15.0	15.0	15.0	15.0	15.0

BASE LENDING RATES

15	Northern Bank Ltd	15	15.00
15	Paragon Bank Ltd	15	15.00
15	Prudential Bank Ltd	15	15.00
15	Royal Bank of Scotland	15	15.00
15	Scottish Bank	15	15.00
15	Standard Bank	15	15.00
15	Union Bank	15	15.00
15	Bank of America	15	15.00
15	Bank of Australia	15	15.00
15	Bank of Canada	15	15.00
15	Bank of China	15	15.00
15	Bank of India	15	15.00
15	Bank of Japan	15	15.00
15	Bank of Korea	15	15.00
15	Bank of London	15	15.00
15	Bank of Mexico	15	15.00
15	Bank of New York	15	15.00
15	Bank of Paris	15	15.00
15	Bank of Portugal	15	15.00
15	Bank of Russia	15	15.00
15	Bank of Spain	15	15.00
15	Bank of Sweden	15	15.00
15	Bank of Switzerland	15	15.00
15	Bank of Taiwan	15	15.00
15	Bank of Thailand	15	15.00
15	Bank of Turkey	15	15.00
15	Bank of the United Kingdom	15	15.00
15	Bank of the United States	15	15.00
15	Bank of the World	15	15.00
15	Bank of the World	15	15.00
15	Bank of the World	15	15.00
15	Bank of the World	15	15.00
15	Bank of the World	15	15.00
15	Bank of the World	15	15.00
15	Bank of the World	15	15.00
15	Bank of the World	15	15.00
15	Bank of the World	15	15.00
15	Bank of the World	15	15.00
15	Bank of the World	15	15.00
15	Bank of the World	15	15.00
15	Bank of the World	15	15.00
15	Bank of the World	15	15.00
15	Bank of the World	15	15.00
15	Bank of the World	15	15.00
15	Bank of the World	15	15.00
15	Bank of the World	15	15.00
15	Bank of the World	15	15.00
15	Bank of the World	15	15.00
15	Bank of the World	15	15.00
15	Bank of the World	15	15.00
15	Bank of the World	15	15.00
15	Bank of the World	15	15.00
15	Bank of the World	15	15.00
15	Bank of the World	15	15.00
15	Bank of the World	15	15.00
15	Bank of the World	15	15.00
15	Bank of the World	15	15.00
15	Bank of the World	15	15.00
15	Bank of the World	15	15.00
15	Bank of the World	15	15.00
15	Bank of the World	15	15.00
15	Bank of the World	15	15.00
15	Bank of the World	15	15.00
15	Bank of the World	15	15.00
15	Bank of the World	15	15.00
15	Bank of the World	15	15.00
15	Bank of the World	15	15.00
15	Bank of the World	15	15.00
15	Bank of the World	15	15.00
15	Bank of the World	15	15.00
15	Bank of the World	15	15.00
15	Bank of the World	15	15.00
15	Bank of the World	15	15.00
15	Bank of the World	15	15.00
15	Bank of the World	15	15.00
15	Bank of the World	15	15.00
15	Bank of the World	15	15.00
15	Bank of the World	15	15.00
15	Bank of the World	15	15.00
15	Bank of the World	15	15.00
15	Bank of the World	15	15.00
15	Bank of the World	15	15.00
15	Bank of the World	15	15.00
15	Bank of the World	15	15.00
15	Bank of the World	15	15.00
15	Bank of the World	15	15.00
15	Bank of the World	15	15.00
15	Bank of the World	15	15.00
15	Bank of the World	15	15.00
15	Bank of the World	15	15.00
15	Bank of the World	15	15.00
15	Bank of the World	15	15.00
15	Bank of the World	15	15.00
15	Bank of the World	15	15.00
15	Bank of the World	15	15.00
15	Bank of the World	15	15.00
15	Bank of the World	15	15.00
15	Bank of the World	15	15.00
15	Bank of the World	15	15.00
15	Bank of the World	15	15.00
15	Bank of the World	15	15.00
15	Bank of the World	15	15.00
15	Bank of the World	15	15.00
15	Bank of the World	15	15.00
15	Bank of the World	15	15.00
15	Bank of the World	15	15.00
15	Bank of the World	15	15.00
15	Bank of the World	15	15.00
15	Bank of the World	15	15.00
15	Bank of the World	15	15.00
15	Bank of the World	15	15.00
15	Bank of the World	15	15.00
15	Bank of the World	15	15.00
15	Bank of the World	15	15.00
15	Bank of the World	15	15.00
15	Bank of the World	15	15.00
15	Bank of the World	15	15.00
15	Bank of the World	15	15.00
15	Bank of the World	15	15.00
15	Bank of the World	15	15.00
15	Bank of the World	15	15.00
15	Bank of the World	15	15.00
15	Bank of the World	15	15.00
15	Bank of the World	15	15.00
15	Bank of the World	15	15.00
15	Bank of the World	15	15.00
15	Bank of the World	15	15.00
15	Bank of the World	15	15.00
15	Bank of the World	15	15.00
15	Bank of the World	15	15.00
15	Bank of the World	15	15.00
15	Bank of the World	15	15.00
15	Bank of the World	15	15.00
15	Bank of the World	15	15.00
15	Bank of the World	15	15.00
15	Bank of the World	15	15.00
15	Bank of the World	15	15.00
15	Bank of the World	15	15.00
15	Bank of the World	15	15.00
15	Bank of the World	15	15.00
15	Bank of the World	15	15.00
15	Bank of the World	15	15.00
15	Bank of the World	15	15.00
15	Bank of the World	15	15.00
15	Bank of the World	15	15.00
15	Bank of the World	15	15.00
15	Bank of the World	15	15.00
15	Bank of the World	15	15.00
15	Bank of the World	15	15.00
15	Bank of the World	15	15.00
15	Bank of the World	15	15.00
15	Bank of the World	15	15.00
15	Bank of the World	15	15.00
15	Bank of the World	15	15.00
15	Bank of the World	15	15.00
15	Bank of the World	15	15.00
15	Bank of the World	15	15.00
15	Bank of the World	15	15.00
15	Bank of the World	15	15.00
15	Bank of the World	15	15.00
15	Bank of the World</		

WORLD STOCK MARKETS

[illegible]

● For Current Unit Trust Prices on any telephone ring direct-0838 4 + five digit code (listed below). Calls charged at 38c per minute peak and 25c off peak, inc VAT.

註冊商標

[illegible][illegible]

● For Current Unit Trust Prices on any telephone ring direct-0836 4 + five digit code (listed below). Calls charged at 38p per minute peak and 25p off peak, inc VAT

•

● For Current Unit Trust Prices on any telephone ring direct-0836 4 + five digit code (listed below). Calls charged at 38p per minute peak and 25p off peak, inc VAT

in German

FT UNIT TRUST INFORMATION SERVICE

● For Current Unit Trust Prices on any telephone ring direct-0836 4 + five digit code (listed below). Calls charged at 38p per minute peak and 25p off peak, inc VAT

[illegible]

CURRENCIES, MONEY AND CAPITAL MARKETS

MONEY MARKETS

Further gains may depend on RPI

There are some very gloomy forecasts in the City for Friday's UK retail price index, but events last week showed how quickly sentiment can change if the worst fears are not realised. The mood was very pessimistic last Monday, caught between bad trade figures and the local government elections.

UK clearing bank base lending rate 15 per cent from October 5

On Life September short starting at a low of 84.55 on Monday and closed at 84.53, showing a spread of a mere 8 points over June delivery. At these levels a rise in bank base rates was virtually discounted, but when the local government elections allowed the Tories to claim some success among the list of defeats the market took heart. Even before the election results were known September short sterling moved above

resistance at 84.82. The Conservatives' success in keeping control of Wandsworth council was a key event pushing the market up to 84.99 before the result at Westminster was known.

Some traders who had missed the earlier price surge probably hoped for Labour to gain Westminster to provide buying opportunities, but this was not to be and when the Conservatives held Westminster short sterling broke through further resistance at 85.07.

If the year-on-year RPI remains under 10 per cent there may be more room for improvement. The market fears that inflation could be as high as 10.2 per cent, but Mr Nick Parsons, at Union Discount says he will be surprised if it reaches double figures this time. Even when inflation probably peaks in August the figure might be under 10 per cent, according to Mr Parsons.

C IN NEW YORK

May 7	May 8	Previous
6 month	1.000-1.000	1.000-1.000
12 month	0.98-0.99	0.98-0.99
3 month	0.97-0.98	0.97-0.98
90 day	0.96-0.97	0.96-0.97

Forward premiums and discounts apply to the US dollar

STERLING INDEX

May 7	May 8	Previous
9.00	87.2	87.1
9.50	87.2	87.1
10.00	87.2	87.1
10.50	87.2	87.1
11.00	87.2	87.1
11.50	87.2	87.1
12.00	87.2	87.1
12.50	87.2	87.1
13.00	87.2	87.1
13.50	87.2	87.1
14.00	87.2	87.1
14.50	87.2	87.1
15.00	87.2	87.1
15.50	87.2	87.1
16.00	87.2	87.1
16.50	87.2	87.1
17.00	87.2	87.1
17.50	87.2	87.1
18.00	87.2	87.1
18.50	87.2	87.1
19.00	87.2	87.1
19.50	87.2	87.1
20.00	87.2	87.1
20.50	87.2	87.1
21.00	87.2	87.1
21.50	87.2	87.1
22.00	87.2	87.1
22.50	87.2	87.1
23.00	87.2	87.1
23.50	87.2	87.1
24.00	87.2	87.1
24.50	87.2	87.1
25.00	87.2	87.1
25.50	87.2	87.1
26.00	87.2	87.1
26.50	87.2	87.1
27.00	87.2	87.1
27.50	87.2	87.1
28.00	87.2	87.1
28.50	87.2	87.1
29.00	87.2	87.1
29.50	87.2	87.1
30.00	87.2	87.1
30.50	87.2	87.1
31.00	87.2	87.1
31.50	87.2	87.1
32.00	87.2	87.1
32.50	87.2	87.1
33.00	87.2	87.1
33.50	87.2	87.1
34.00	87.2	87.1
34.50	87.2	87.1
35.00	87.2	87.1
35.50	87.2	87.1
36.00	87.2	87.1
36.50	87.2	87.1
37.00	87.2	87.1
37.50	87.2	87.1
38.00	87.2	87.1
38.50	87.2	87.1
39.00	87.2	87.1
39.50	87.2	87.1
40.00	87.2	87.1
40.50	87.2	87.1
41.00	87.2	87.1
41.50	87.2	87.1
42.00	87.2	87.1
42.50	87.2	87.1
43.00	87.2	87.1
43.50	87.2	87.1
44.00	87.2	87.1
44.50	87.2	87.1
45.00	87.2	87.1
45.50	87.2	87.1
46.00	87.2	87.1
46.50	87.2	87.1
47.00	87.2	87.1
47.50	87.2	87.1
48.00	87.2	87.1
48.50	87.2	87.1
49.00	87.2	87.1
49.50	87.2	87.1
50.00	87.2	87.1
50.50	87.2	87.1
51.00	87.2	87.1
51.50	87.2	87.1
52.00	87.2	87.1
52.50	87.2	87.1
53.00	87.2	87.1
53.50	87.2	87.1
54.00	87.2	87.1
54.50	87.2	87.1
55.00	87.2	87.1
55.50	87.2	87.1
56.00	87.2	87.1
56.50	87.2	87.1
57.00	87.2	87.1
57.50	87.2	87.1
58.00	87.2	87.1
58.50	87.2	87.1
59.00	87.2	87.1
59.50	87.2	87.1
60.00	87.2	87.1
60.50	87.2	87.1
61.00	87.2	87.1
61.50	87.2	87.1
62.00	87.2	87.1
62.50	87.2	87.1
63.00	87.2	87.1
63.50	87.2	87.1
64.00	87.2	87.1
64.50	87.2	87.1
65.00	87.2	87.1
65.50	87.2	87.1
66.00	87.2	87.1
66.50	87.2	87.1
67.00	87.2	87.1
67.50	87.2	87.1
68.00	87.2	87.1
68.50	87.2	87.1
69.00	87.2	87.1
69.50	87.2	87.1
70.00	87.2	87.1
70.50	87.2	87.1
71.00	87.2	87.1
71.50	87.2	87.1
72.00	87.2	87.1
72.50	87.2	87.1
73.00	87.2	87.1
73.50	87.2	87.1
74.00	87.2	87.1
74.50	87.2	87.1
75.00	87.2	87.1
75.50	87.2	87.1
76.00	87.2	87.1
76.50	87.2	87.1
77.00	87.2	87.1
77.50	87.2	87.1
78.00	87.2	87.1
78.50	87.2	87.1
79.00	87.2	87.1
79.50	87.2	87.1
80.00	87.2	87.1
80.50	87.2	87.1
81.00	87.2	87.1
81.50	87.2	87.1
82.00	87.2	87.1
82.50	87.2	87.1
83.00	87.2	87.1
83.50	87.2	87.1
84.00	87.2	87.1
84.50	87.2	87.1
85.00	87.2	87.1
85.50	87.2	87.1
86.00	87.2	87.1
86.50	87.2	87.1
87.00	87.2	87.1
87.50	87.2	87.1
88.00	87.2	87.1
88.50	87.2	87.1
89.00	87.2	87.1
89.50	87.2	87.1
90.00	87.2	87.1
90.50	87.2	87.1
91.00	87.2	87.1
91.50	87.2	87.1
92.00	87.2	87.1
92.50	87.2	87.1
93.00	87.2	87.1
93.50	87.2	87.1
94.00	87.2	87.1
94.50	87.2	87.1
95.00	87.2	87.1
95.50	87.2	87.1
96.00	87.2	87.1
96.50	87.2	87.1
97.00	87.2	87.1
97.50	87.2	87.1
98.00	87.2	87.1
98.50	87.2	87.1
99.00	87.2	87.1
99.50	87.2	87.1
100.00	87.2	87.1

CURRENCY RATES

May 7	May 8	Previous
US dollar	1.640-1.640	1.640-1.640
100 Swiss francs	1.640-1.640	1.640-1.640
100 Japanese yen	1.640-1.640	1.640-1.640
100 Australian dollars	1.640-1.640	1.640-1.640
100 New Zealand dollars	1.640-1.640	1.640-1.640
100 Hong Kong dollars	1.640-1.640	1.640-1.640
100 Singapore dollars	1.640-1.640	1.640-1.640
100 South African rand	1.640-1.640	1.640-1.640
100 Indian rupees	1.640-1.640	1.640-1.640
100 Pakistani rupees	1.640-1.640	1.640-1.640
100 Sri Lankan rupees	1.640-1.640	1.640-1.640
100 Bangladeshi taka	1.640-1.640	1.640-1.640
100 Nepalese rupees	1.640-1.640	1.640-1.640
100 Bhutanese ngultrum	1.640-1.640	1.640-1.640
100 Maldivian rufiyaa	1.640-1.640	1.640-1.640
100 Malagasy ariary	1.640-1.640	1.640-1.640
100 Mauritian rupee	1.640-1.640	1.640-1.640
100 Comorian franc	1.640-1.640	1.640-1.640
100 Seychellois rupee	1.640-1.640	1.640-1.640
100 Zambian kwacha	1.640-1.640	1.640-1.640
100 Botswana pula	1.640-1.640	1.640-1.640
100 Lesotho loti	1.640-1.640	1.640-1.640
100 Namibian dollar	1.640-1.640	1.640-1.640
100 Swazi lilangeni	1.640-1.640	1.640-1.640
100 Mozambican escudo	1.640-1.640	1.640-1.640
100 Angolan kwanza	1.640-1.640	1.640-1.640
100 Guinean franc	1.640-1.640	1.640-1.640
100 Sierra Leonean leone	1.640-1.640	1.640-1.640
100 Liberian dollar	1.640-1.640	1.640-1.640
100 Ivory Coast franc	1.640-1.640	1.640-1.640
100 Senegalese franc	1.640-1.640	1.640-1.640
100 Gambia dalasi	1.640-1.640	1.640-1.640
100 Guinea-Bissau escudo	1.640-1.640	1.640-1.640
100 Cape Verdean escudo	1.640-1.640	1.640-1.640
100 Sao Tomean escudo	1.640-1.640	1.640-1.640
100 Equatorial Guinean franc	1.640-1.640	1.640-1.640
100 Gabonese franc	1.640-1.640	1.640-1.640
100 Congo franc	1.640-1.640	1.640-1.640
100 Zaire franc	1.640-1.640	1.640-1.640
100 Chad franc	1.640-1.640	1.640-1.640
100 Central African franc	1.640-1.640	1.640-1.640
100 Cameroonian franc	1.640-1.640	1.640-1.640
100 Nigerian naira	1.640-1.640	1.640-1.640
100 Eritrean nakfa	1.640-1.640	1.640-1.640
100 Djiboutian franc	1.640-1.640	1.640-1.640
100 Somali shilling	1.640-1.640	1.640-1.640
100 Ethiopian birr	1.640-1.640	1.640-1.640
100 Sudanese pound	1.640-1.640	1.640-1.640
100 Eritrean nakfa	1.640-1.640	1.640-1.640
100 Djiboutian franc	1.640-1.640	1.640-1.640
100 Somali shilling	1.640-1.640	1.640-1.640
100 Ethiopian birr	1.640-1.640	1.640-1.640
100 Sudanese pound	1.640-1.640	1.640-1.640
100 Eritrean nakfa	1.640-1.640	1.640-1.640
100 Djiboutian franc	1.640-1.640	1.640-1.640
100 Somali shilling	1.640-1.640	1.640-1.640
100 Ethiopian birr	1.640-1.640	1.640-1.640
100 Sudanese pound	1.640-1.640	1.640-1.640
100 Eritrean nakfa	1.640-1.640	1.640-1.640
100 Djiboutian franc	1.640-1.640	1.640-1.640
100 Somali shilling	1.640-1.640	1.640-1.640
100 Ethiopian birr	1.640-1.640	1.640-1.640
100 Sudanese pound	1.640-1.640	1.640-1.640
100 Eritrean nakfa	1.640-1.640	1.640-1.640
100 Djiboutian franc	1.640-1.640	1.640-1.640
100 Somali shilling	1.640-1.640	1.640-1.640
100 Ethiopian birr	1.640-1.640	1.640-1.640
100 Sudanese pound	1.640-1.640	1.640-1.640
100 Eritrean nakfa	1.640-1.640	1.640-1.640
100 Djiboutian franc	1.640-1.640	1.640-1.640
100 Somali shilling	1.640-1.640	1.640-1.640
100 Ethiopian birr	1.640-1.640	1.640-1.640
100 Sudanese pound	1.640-1.640	1.640-1.640
100 Eritrean nakfa	1.640-1.640	1.640-1.640
100 Djiboutian franc	1.640-1.640	1.640-1.640
100 Somali shilling	1.640-1.640	1.640-1.640
100 Ethiopian birr	1.640-1.640	1.640-1.640
100 Sudanese pound	1.640-1.640	1.640-1.640
100 Eritrean nakfa	1.640-1.640	1.640-1.640
100 Djiboutian franc	1.640-1.640	1.640-1.640
100 Somali shilling	1.640-1.640	1.640-1.640
100 Ethiopian birr	1.640-1.640	1.640-1.640
100 Sudanese pound	1.640-1.640	1.640-1.640
100 Eritrean nakfa	1.640-1.640	1.640-1.640
100 Djiboutian franc	1.640-1.640	1.640-1.640
100 Somali shilling	1.640-1.640	1.640-1.640
100 Ethiopian birr	1.640-1.640	1.640-1.640
100 Sudanese pound	1.640-1.640	1.640-1.640
100 Eritrean nakfa	1.640-1.640	1.640-1.640
100 Djiboutian franc	1.640-1.640	1.640-1.640
100 Somali shilling	1.640-1.640	1.640-1.640
100 Ethiopian birr	1.640-1.640	1.640-1.640
100 Sudanese pound	1.640-1.640	1.640-1.640
100 Eritrean nakfa	1.640-1.640	1.640-1.640
100 Djiboutian franc	1.640-1.640	1.640-1.640
100 Somali shilling	1.640-1.640	1.640-1.640
100 Ethiopian birr	1.640-1.640	1.640-1.640
100 Sudanese pound	1.640-1.640	1.640-1.640
100 Eritrean nakfa	1.640	

● For Latest Share Prices on any telephone ring direct-0836 43 + four digit code (listed below). Calls charged at 30p per minute peak and 25p off peak, Inc VAT

INDUSTRIALS (Miscel.) - Contd[illegible]**FOOD, GROCERIES, ETC.**

44.5 Walker Greenwood	547	1.4	6,630.10	Jul Oct	1422
33.9 Warner Howard Sp.	180	1.4	3,427.11	Jan July	1423
134.6 Wasco Sp.	368	-1.0	1,494.94	May Nov	1424
159.5 Wascopu Wooded Sp.	200		-16.06		1425
129.0 Wascopu Wooded Sp.	240		5,412.13	Dec Jan	1426
23.8 Watson Park 11a	140		1,027.11	Oct Apr	1427
5.0(1.1) Wellcome	148	-2.4	1,027.11	Feb Jan	1428
3.4(1) Welispac Tr.	15		5,613.77	August	1429
4.8(4) West Indemnity Sp.	16	1.3	9,316.07	Apr Sep	1430
3.9(2) Westbury 10a	15	-1.1	2,336.41	June Nov	1431
77.9 Westburn Sp.	240	-1.1	7,422.12	Jan	1432
80.4 Westcroft	240	0.8	4,230.04	Jan Aug	1433
2.2(1) Westfield 10a	140		1,027.11	Mar Aug	1434
4.6(1) Wickersd. Sp.	13		10,113.94	Mar Apr	1435

HOTELS AND CATERERS

770.5	770.5	770.5	770.5	770.5	770.5	770.5	770.5	770.5	770.5	770.5	770.5	770.5	770.5	770.5	770.5	770.5	770.5	770.5	770.5	770.5	770.5	770.5	770.5	770.5	770.5	770.5	770.5	770.5	770.5	770.5	770.5	770.5	770.5	770.5	770.5	770.5	770.5	770.5	770.5	770.5	770.5	770.5	770.5	770.5	770.5	770.5	770.5	770.5	770.5	770.5	770.5	770.5	770.5	770.5	770.5	770.5	770.5	770.5	770.5	770.5	770.5	770.5	770.5	770.5	770.5	770.5	770.5	770.5	770.5	770.5	770.5	770.5	770.5	770.5	770.5	770.5	770.5	770.5	770.5	770.5	770.5	770.5	770.5	770.5	770.5	770.5	770.5	770.5	770.5	770.5	770.5	770.5	770.5	770.5	770.5	770.5	770.5	770.5	770.5	770.5	770.5	770.5	770.5	770.5	770.5	770.5	770.5	770.5	770.5	770.5	770.5	770.5	770.5	770.5	770.5	770.5	770.5	770.5	770.5	770.5	770.5	770.5	770.5	770.5	770.5	770.5	770.5	770.5	770.5	770.5	770.5	770.5	770.5	770.5	770.5	770.5	770.5	770.5	770.5	770.5	770.5	770.5	770.5	770.5	770.5	770.5	770.5	770.5	770.5	770.5	770.5	770.5	770.5	770.5	770.5	770.5	770.5	770.5	770.5	770.5	770.5	770.5	770.5	770.5	770.5	770.5	770.5	770.5	770.5	770.5	770.5	770.5	770.5	770.5	770.5	770.5	770.5	770.5	770.5	770.5	770.5	770.5	770.5	770.5	770.5	770.5	770.5	770.5	770.5	770.5	770.5	770.5	770.5	770.5	770.5	770.5	770.5	770.5	770.5	770.5	770.5	770.5	770.5	770.5	770.5	770.5	770.5	770.5	770.5	770.5	770.5	770.5	770.5	770.5	770.5	770.5	770.5	770.5	770.5	770.5	770.5	770.5	770.5	770.5	770.5	770.5	770.5	770.5	770.5	770.5	770.5	770.5	770.5	770.5	770.5	770.5	770.5	770.5	770.5	770.5	770.5	770.5	770.5	770.5	770.5	770.5	770.5	770.5	770.5	770.5	770.5	770.5	770.5	770.5	770.5	770.5	770.5	770.5	770.5	770.5	770.5	770.5	770.5	770.5	770.5	770.5	770.5	770.5	770.5	770.5	770.5	770.5	770.5	770.5	770.5	770.5	770.5	770.5	770.5	770.5	770.5	770.5	770.5	770.5	770.5	770.5	770.5	770.5	770.5	770.5	770.5	770.5	770.5	770.5	770.5	770.5	770.5	770.5	770.5	770.5	770.5	770.5	770.5	770.5	770.5	770.5	770.5	770.5	770.5	770.5	770.5	770.5	770.5	770.5	770.5	770.5	770.5	770.5	770.5	770.5	770.5	770.5	770.5	770.5	770.5	770.5	770.5	770.5	770.5	770.5	770.5	770.5	770.5	770.5	770.5	770.5	770.5	770.5	770.5	770.5	770.5	770.5	770.5	770.5	770.5	770.5	770.5	770.5	770.5	770.5	770.5	770.5	770.5	770.5	770.5	770.5	770.5	770.5	770.5	770.5	770.5	770.5	770.5	770.5	770.5	770.5	770.5	770.5	770.5	770.5	770.5	770.5	770.5	770.5	770.5	770.5	770.5	770.5	770.5	770.5	770.5	770.5	770.5	770.5	770.5	770.5	770.5	770.5	770.5	770.5	770.5	770.5	770.5	770.5	770.5	770.5	770.5	770.5	770.5	770.5	770.5	770.5	770.5	770.5	770.5	770.5	770.5	770.5	770.5	770.5	770.5	770.5	770.5	770.5	770.5	770.5	770.5	770.5	770.5	770.5	770.5	770.5	770.5	770.5	770.5	770.5	770.5	770.5	770.5	770.5	770.5	770.5	770.5	770.5	770.5	770.5	770.5	770.5	770.5	770.5	770.5	770.5	770.5	770.5	770.5	770.5	770.5	770.5	770.5	770.5	770.5	770.5	770.5	770.5	770.5	770.5	770.5	770.5	770.5	770.5	770.5	770.5	770.5	770.5	770.5	770.5	770.5	770.5	770.5	770.5	770.5	770.5	770.5	770.5	770.5	770.5	770.5	770.5	770.5	770.5	770.5	770.5	770.5	770.5	770.5	770.5	770.5	770.5	770.5	770.5	770.5	770.5	770.5	770.5	770.5	770.5	770.5	770.5	770.5	770.5	770.5	770.5	770.5	770.5	770.5	770.5	770.5	770.5	770.5	770.5	770.5	770.5	770.5	770.5	770.5	770.5	770.5	770.5	770.5	770.5	770.5	770.5	770.5	770.5	770.5	770.5	770.5	770.5	770.5	770.5	770.5	770.5	770.5	770.5	770.5	770.5	770.5	770.5	770.5	770.5	770.5	770.5	770.5	770.5	770.5	770.5	770.5	770.5	770.5	770.5	770.5	770.5	770.5	770.5	770.5	770.5	770.5	770.5	770.5	770.5	770.5	770.5	770.5	770.5	770.5	770.5	770.5	770.5	770.5	770.5	770.5	770.5	770.5	770.5	770.5	770.5	770.5	770.5	770.5	770.5	770.5	770.5	770.5	770.5	770.5	770.5	770.5	770.5	770.5	770.5	770.5	770.5	770.5	770.5	770.5	770.5	770.5	770.5	770.5	770.5	770.5	770.5	770.5	770.5	770.5	770.5	770.5	770.5	770.5	770.5	770.5	770.5	770.5	770.5	770.5	770.5	770.5	770.5	770.5	770.5	770.5	770.5	770.5	770.5	770.5	770.5	770.5	770.5	770.5	770.5	770.5	770.5	770.5	770.5	770.5	770.5	770.5	770.5	770.5	770.5	770.5	770.5	770.5	770.5	770.5	770.5	770.5	770.5	770.5	770.5	770.5	770.5	770.5	770.5	770.5	770.5	770.5	770.5	770.5	770.5	770.5	770.5	770.5	770.5	770.5	770.5	770.5	770.5	770.5	770.5	770.5	770.5	770.5	770.5	770.5	770.5	770.5	770.5	770.5	770.5	770.5	770.5	770.5	770.5	770.5	770.5	770.5	770.5	770.5	770.5	770.5	770.5	770.5	770.5	770.5	770.5	770.5	770.5	770.5	770.5	770.5	770.5	770.5	770.5	770.5	770.5	770.5	770.5	770.5	770.5	770.5	770.5	770.5	770.5	770.5	770.5	770.5	770.5	770.5	770.5	770.5	770.5	770.5	770.5	770.5	770.5	770.5	770.5	770.5	770.5	770.5	770.5	770.5	770.5	770.5	770.5	770.5	770.5	770.5	770.5	770.5	770.5	770.5	770.5	770.5	770.5	770.5	770.5	770.5	770.5	770.5	770.5	770.5	770.5	770.5	770.5	770.5	770.5	770.5	770.5	770.5	770.5	770.5	770.5	770.5	770.5	770.5	770.5	770.5	770.5	770.5	770.5	770.5	770.5	770.5	770.5	770.5	770.5	770.5	770.5	770.5	770.5	770.5	770.5	770.5	770.5	770.5	770.5	770.5	770.5	770.5	770.5	770.5	770.5	770.5	770.5	770.5	770.5	770.5	770.5	770.5	770.5	770.5	770.5	770.5	770.5	770.5	770.5	770.5	770.5	770.5	770.5	770.5	770.5	770.5	770.5	770.5	770.5	770.5	770.5	770.5	770.5	770.5	770.5	770.5	770.5	770.5	770.5	770.5	770.5	770.5	770.5	770.5	770.5	770.5	770.5	770.5	770.5	770.5	770.5	770.5	770.5	770.5	770.5	770.5	770.5	770.5	770.5	770.5	770.5	770.5	770.5	770.5	770.5	770.5	770.5	770.5	770.5	770.5	770.5	770.5	770.5	770.5	770.5	770.5	770.5	770.5	770.5	770.5	770.5	770.5	770.5	770.5	770.5	770.5	770.5	770.5
-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------

First 10p	27.0	5.7	30.4	July
5 Group 10p	12.0	6.2	15.1	Mar

[illegible]

ENGINEERING

LEISURE		MOTORS/AIRCRAFT TRADES	
24. National City	1,499	2.5	3.1
25. American	1,499	2.5	3.1
26. American	1,499	2.5	3.1
27. American	1,499	2.5	3.1
28. American	1,499	2.5	3.1
29. American	1,499	2.5	3.1
30. American	1,499	2.5	3.1
31. American	1,499	2.5	3.1
32. American	1,499	2.5	3.1
33. American	1,499	2.5	3.1
34. American	1,499	2.5	3.1
35. American	1,499	2.5	3.1
36. American	1,499	2.5	3.1
37. American	1,499	2.5	3.1
38. American	1,499	2.5	3.1
39. American	1,499	2.5	3.1
40. American	1,499	2.5	3.1
41. American	1,499	2.5	3.1
42. American	1,499	2.5	3.1
43. American	1,499	2.5	3.1
44. American	1,499	2.5	3.1
45. American	1,499	2.5	3.1
46. American	1,499	2.5	3.1
47. American	1,499	2.5	3.1
48. American	1,499	2.5	3.1
49. American	1,499	2.5	3.1
50. American	1,499	2.5	3.1
51. American	1,499	2.5	3.1
52. American	1,499	2.5	3.1
53. American	1,499	2.5	3.1
54. American	1,499	2.5	3.1
55. American	1,499	2.5	3.1
56. American	1,499	2.5	3.1
57. American	1,499	2.5	3.1
58. American	1,499	2.5	3.1
59. American	1,499	2.5	3.1
60. American	1,499	2.5	3.1
61. American	1,499	2.5	3.1
62. American	1,499	2.5	3.1
63. American	1,499	2.5	3.1
64. American	1,499	2.5	3.1
65. American	1,499	2.5	3.1
66. American	1,499	2.5	3.1
67. American	1,499	2.5	3.1
68. American	1,499	2.5	3.1
69. American	1,499	2.5	3.1
70. American	1,499	2.5	3.1
71. American	1,499	2.5	3.1
72. American	1,499	2.5	3.1
73. American	1,499	2.5	3.1
74. American	1,499	2.5	3.1
75. American	1,499	2.5	3.1
76. American	1,499	2.5	3.1
77. American	1,499	2.5	3.1
78. American	1,499	2.5	3.1
79. American	1,499	2.5	3.1
80. American	1,499	2.5	3.1
81. American	1,499	2.5	3.1
82. American	1,499	2.5	3.1
83. American	1,499	2.5	3.1
84. American	1,499	2.5	3.1
85. American	1,499	2.5	3.1
86. American	1,499	2.5	3.1
87. American	1,499	2.5	3.1
88. American	1,499	2.5	3.1
89. American	1,499	2.5	3.1
90. American	1,499	2.5	3.1
91. American	1,499	2.5	3.1
92. American	1,499	2.5	3.1
93. American	1,499	2.5	3.1
94. American	1,499	2.5	3.1
95. American	1,499	2.5	3.1
96. American	1,499	2.5	3.1
97. American	1,499	2.5	3.1
98. American	1,499	2.5	3.1
99. American	1,499	2.5	3.1
100. American	1,499	2.5	3.1

INSURANCES

[illegible]

LEISURE

[illegible]

MOTORS, AIRCRAFT TRADES

1.1 DAF N.V. FTS	89%	-8.7	8.6	Jan	8773
General Motors Unit	26%	5.4	12.2	Jan 30	25574
729 North Group Sp	26%	-7.1	-108		5094
1.1 Volkswagen Dnso	2214.4	8.1	1.1	July	1418
2.2 Volvo K225	831.4	-8.4	3.0	July	1418

Commercial Vehicles

1.1 DAF CH160	180	-3.1	10.2	Jan	1097
---------------	-----	------	------	-----	------

● For Latest Share Prices on any telephone ring direct-0836 43 + four digit code (listed below). Calls charged at 38p per minute peak and 25p off peak, inc VAT

MINES - Contd

Miscellaneous			
114	-1.4	-	-
115	-1.4	-	-
116	-1.4	-	-
117	-1.4	-	-
118	-1.4	-	-
119	-1.4	-	-
120	-1.4	-	-
121	-1.4	-	-
122	-1.4	-	-
123	-1.4	-	-
124	-1.4	-	-
125	-1.4	-	-
126	-1.4	-	-
127	-1.4	-	-
128	-1.4	-	-
129	-1.4	-	-
130	-1.4	-	-
131	-1.4	-	-
132	-1.4	-	-
133	-1.4	-	-
134	-1.4	-	-
135	-1.4	-	-
136	-1.4	-	-
137	-1.4	-	-
138	-1.4	-	-
139	-1.4	-	-
140	-1.4	-	-
141	-1.4	-	-
142	-1.4	-	-
143	-1.4	-	-
144	-1.4	-	-
145	-1.4	-	-
146	-1.4	-	-
147	-1.4	-	-
148	-1.4	-	-
149	-1.4	-	-
150	-1.4	-	-
151	-1.4	-	-
152	-1.4	-	-
153	-1.4	-	-
154	-1.4	-	-
155	-1.4	-	-
156	-1.4	-	-
157	-1.4	-	-
158	-1.4	-	-
159	-1.4	-	-
160	-1.4	-	-
161	-1.4	-	-
162	-1.4	-	-
163	-1.4	-	-
164	-1.4	-	-
165	-1.4	-	-
166	-1.4	-	-
167	-1.4	-	-
168	-1.4	-	-
169	-1.4	-	-
170	-1.4	-	-
171	-1.4	-	-
172	-1.4	-	-
173	-1.4	-	-
174	-1.4	-	-
175	-1.4	-	-
176	-1.4	-	-
177	-1.4	-	-
178	-1.4	-	-
179	-1.4	-	-
180	-1.4	-	-
181	-1.4	-	-
182	-1.4	-	-
183	-1.4	-	-
184	-1.4	-	-
185	-1.4	-	-
186	-1.4	-	-
187	-1.4	-	-
188	-1.4	-	-
189	-1.4	-	-
190	-1.4	-	-
191	-1.4	-	-
192	-1.4	-	-
193	-1.4	-	-
194	-1.4	-	-
195	-1.4	-	-
196	-1.4	-	-
197	-1.4	-	-
198	-1.4	-	-
199	-1.4	-	-
200	-1.4	-	-

[illegible][illegible]

28
 29
 30
 31
 32
 33
 34
 35
 36
 37
 38
 39
 40
 41
 42
 43
 44
 45
 46
 47
 48
 49
 50
 51
 52
 53
 54
 55
 56
 57
 58
 59
 60
 61
 62
 63
 64
 65
 66
 67
 68
 69
 70
 71
 72
 73
 74
 75
 76
 77
 78
 79
 80
 81
 82
 83
 84
 85
 86
 87
 88
 89
 90
 91
 92
 93
 94
 95
 96
 97
 98
 99
 100
 101
 102
 103
 104
 105
 106
 107
 108
 109
 110
 111
 112
 113
 114
 115
 116
 117
 118
 119
 120
 121
 122
 123
 124
 125
 126
 127
 128
 129
 130
 131
 132
 133
 134
 135
 136
 137
 138
 139
 140
 141
 142
 143
 144
 145
 146
 147
 148
 149
 150
 151
 152
 153
 154
 155
 156
 157
 158
 159
 160
 161
 162
 163
 164
 165
 166
 167
 168
 169
 170
 171
 172
 173
 174
 175
 176
 177
 178
 179
 180
 181
 182
 183
 184
 185
 186
 187
 188
 189
 190
 191
 192
 193
 194
 195
 196
 197
 198
 199
 200
 201
 202
 203
 204
 205
 206
 207
 208
 209
 210
 211
 212
 213
 214
 215
 216
 217
 218
 219
 220
 221
 222
 223
 224
 225
 226
 227
 228
 229
 230
 231
 232
 233
 234
 235
 236
 237
 238
 239
 240
 241
 242
 243
 244
 245
 246
 247
 248
 249
 250
 251
 252
 253
 254
 255
 256
 257
 258
 259
 260
 261
 262
 263
 264
 265
 266
 267
 268
 269
 270
 271
 272
 273
 274
 275
 276
 277
 278
 279
 280
 281
 282
 283
 284
 285
 286
 287
 288
 289
 290
 291
 292
 293
 294
 295
 296
 297
 298
 299
 300
 301
 302
 303
 304
 305
 306
 307
 308
 309
 310
 311
 312
 313
 314
 315
 316
 317
 318
 319
 320
 321
 322
 323
 324
 325
 326
 327
 328
 329
 330
 331
 332
 333
 334
 335
 336
 337
 338
 339
 340
 341
 342
 343
 344
 345
 346
 347
 348
 349
 350
 351
 352
 353
 354
 355
 356
 357
 358
 359
 360
 361
 362
 363
 364
 365
 366
 367
 368
 369
 370
 371
 372
 373
 374
 375
 376
 377
 378
 379
 380
 381
 382
 383
 384
 385
 386
 387
 388
 389
 390
 391
 392
 393
 394
 395
 396
 397
 398
 399
 400
 401
 402
 403
 404
 405
 406
 407
 408
 409
 410
 411
 412
 413
 414
 415
 416
 417
 418
 419
 420
 421
 422
 423
 424
 425
 426
 427
 428
 429
 430
 431
 432
 433
 434
 435
 436
 437
 438
 439
 440
 441
 442
 443
 444
 445
 446
 447
 448
 449
 450
 451
 452
 453
 454
 455
 456
 457
 458
 459
 460
 461
 462
 463
 464
 465
 466
 467
 468
 469
 470
 471
 472
 473
 474
 475
 476
 477
 478
 479
 480
 481
 482
 483
 484
 485
 486
 487
 488
 489
 490
 491
 492
 493
 494
 495
 496
 497
 498
 499
 500
 501
 502
 503
 504
 505
 506
 507
 508
 509
 510
 511
 512
 513
 514
 515
 516
 517
 518
 519
 520
 521
 522
 523
 524
 525
 526
 527
 528
 529
 530
 531
 532
 533
 534
 535
 536
 537
 538
 539
 540
 541
 542
 543
 544
 545
 546
 547
 548

NEW YORK STOCK EXCHANGE COMPOSITE PRICES

Continued on Page 41

المسألة الأولى

NASDAQ NATIONAL MARKET

3am prices May 7

[illegible]

4pm price
May

[illegible]

FINANCIAL TIMES
EUROPE'S BUSINESS NEWSPAPER

AMERICA

Dow posts further gains after a hesitant opening

Wall Street

OVERCOMING a hesitant start, Wall Street equity prices posted further moderate gains yesterday in light volume, writes *Roderick Oram* in New York.

Investors were encouraged by the better tone of the bond market after last Friday's mini-bond rally in the wake of weak job creation figures.

Credit markets backtracked a little yesterday, although, on profit taking and the usual caution ahead of the Treasury's \$30.5bn quarterly refunding. The exercise starts today with the sale of \$10.5bn of three-year notes.

Bond traders are optimistic that overseas and US retail demand should be sufficient for the refunding to go well, though some analysts are more cautious.

The price of the Treasury's benchmark 30-year long bond slipped by a point to 96 1/2 yielding 8.54 per cent. Shorter maturities showed smaller price losses. The yield on three-month Treasury bills was up four basis points at 8.04 per cent.

The Dow Jones Industrial Average closed up 11.25 points at 2,721.62, somewhat below its afternoon high. It had opened cautiously and began slipping below its close last Friday. Within the hour it had started to climb steadily to head for its

sixth rising session in a row, although afternoon profit taking left some traders worrying the mini-rally was running out of steam.

Broader indices rose in line with the Dow Industrials with, for example, the Standard & Poor's 500 adding 2.14 to 340.53 and the New York Stock Exchange composite index adding 1.07 to 186.45.

Trading on the NYSE was relatively light at 133.8m shares with advancing issues outnumbering those declining by a ratio of almost two-to-one. Some of the most brisk buying was focused on technology stocks, particularly in the over-the-counter market.

Interest rate sensitive stocks also attracted attention, benefiting from the hope in the bond market that interest rates had peaked for the time being.

Chase Manhattan, for example, was the most active NYSE stock and unchanged at \$24 1/2, and Citicorp edged up \$ 1/2 to \$22 1/2.

The outlook for profits is one question hanging over equities. Friday's weak job figures, the first glimpse of the economy's progress in April, implied a slower rate of growth than expected.

Among technology stocks that performed well yesterday, Intel added \$ 1/2 to \$43 1/2 and was the most active stock in the over-the-counter market. Motorola, the electronics and cellular telephone equipment

maker, rose \$ 1/4 to \$72 1/2 to a 52-week high after telling analysts its order rose in April.

Nordstrom jumped \$ 1/2 to \$23 1/2 following broadcast of a less-than-expected television programme about the Seattle-based department store chain.

The company has been hard hit by labour problems such as a recent federal order to pay employees for overtime they had worked.

Playboy Enterprises edged up \$ 1/4 to \$12 1/2 after its said it would undertake a recapitalisation.

The plan includes creating two classes of common stock, one of which will be non-voting.

Canada

A RALLY in the domestic bond market pushed Toronto stock prices higher at close yesterday.

The 300 Composite Index gained 33.67 points to close at 3,421.51 on 21.5m shares. Value of trading totalled \$254.4m compared with \$238.7m on Friday.

Toronto defies its 'New York clone' label

Canada has moved, mostly lower, for its own reasons this year, writes Bernard Simon

THE BEST that can be said for the Toronto Stock Exchange's recent performance is that it has not been the worst in the world.

But it has been the second worst, with its decline exceeded only by the battered Tokyo exchange among those markets covered by the FT-Asiatic World Indices. By Friday's close, Toronto's TSE 300 composite index had slid by 7.5 per cent since the beginning of April, bringing its drop for the year to 15.2 per cent. The index had managed to rise 1 per cent in the final three sessions of last week, after fluctuating from day to day since April 25.

The New York Stock Exchange brought a run of 11 successive falls to an end. The TSE 300 remains 18 per cent below its August 1987 peak of 4,113.

Often seen by outsiders as a resource-based clone of the New York Stock Exchange, Toronto has had plenty of problems of its own this year.

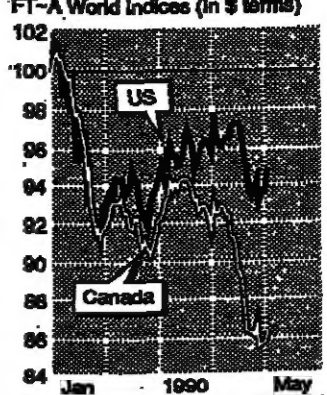
Its resource base has been one of them. In spite of efforts at diversification, the Toronto market remains dominated by the big Canadian resource companies and, therefore, it has been hit hard this year by

the slide in metal, forest products and energy prices.

Forestry companies, in particular, have produced dismal first-quarter earnings. The newsprint producer, Abitibi-Price, lost C\$1.5m (US\$0.7m), while Noranda Forest's earnings shrivelled by 90 per cent to a paltry C\$6m. Canadian Pacific Forest Products, which also shed one of the smallest of profits, cut its dividend. By Friday's close, Abitibi's share price had sunk to C\$15 from a year's high of C\$21 1/2. Noranda had fallen from a 1990 high of C\$28 1/2 to C\$18 1/2 and CP Forest had come down in less than a year from C\$44 to C\$30.

The resource groups — as well as other big exporters such as the steelmakers — have also been hit by the strong Canadian dollar. Mr Fred Telmer, newly-appointed chief executive of Stelco, the country's largest steel producer, compares the rise in the dollar to a 15 per cent price increase on the company's US business. Furthermore, US suppliers' share of the Canadian steel market has almost doubled to 9 per cent in the past four years. Stelco suffered a C\$1.2m first-quarter loss.

FT-Asiatic World Indices (in \$ terms)



The Canadian currency is being held up by high interest rates, which are designed to bring down inflation but, in the process, are pinching corporate profits. Canadian banks lifted their prime lending rates last month from 14.25 per cent to 14.75 per cent, and the gap between US and Canadian short-term rates is now at a record 5.5 percentage points, double the gap of two years ago. The high cost of money has, of course, been especially hard on companies which borrowed heavily to finance their

expansion of the past few years.

These include some of the former blue-eyed boys of Canadian business. Mr Robert Campeau's troubled real estate and retail holding company became a "penny stock" in April when its price sank below C\$1. But news that Mr Campeau had struck a deal to regain control of the company helped the price rebound to C\$1.50 by last Friday. Just a year ago, Campeau was trading at more than C\$20.

Similarly, the share price of Magna International, the debt-burdened auto parts maker which was building a factory a month in the mid-1980s, had tumbled to C\$3.50 by Friday, about a third of what they were worth a year ago. Magna lost C\$187m in the three months to January 31, including a C\$100m loss.

A few stars have continued to shine through the gloom. One is Northern Telecom, the telephone equipment maker. Nortel announced a first-quarter earnings jump of 55 per cent last week. At C\$45 1/2, its share price is almost 50 per cent up on its 1989 low.

Mr Philip Heitner, portfolio strategist at Nesbitt Thomson, a Toronto securities firm, is among those who think the TSE has now discounted most of the bad news coming from Canadian companies. But while Toronto share prices may have marched to their own beat in the past few months, Mr Heitner predicts they are unlikely to stage much of a comeback without a lead from Wall Street. "It's still too soon to get bullish," he says.

One bit of good news that the Toronto market is that the Canadian dollar is widely expected to start falling by the end of the year. At least some parts of the market would be helped by a reversal of gold's recent decline, or more discipline among oil producers.

On a technical, though, few onlookers expect a rebound in the market as a whole for some time. The Canadian economy is slowing to a crawl as the high interest rates start to bite. The outlook for commodity prices is far from rosy. And there are few takeover rumours these days to bring some excitement to the market.

EUROPE

Bourses advance in run-up to string of company results

RISES ahead of results due this week suggested yesterday that some investors had regained their taste for equity investment, writes *Our Markets Staff*. FRANKFURT extended last week's rally and kept volume high in spite of the absence of the London market, an important channel for foreign investment in West German shares.

The market is expecting national agreement on the metalworkers' pay and hours negotiations and the threat of higher interest rates receded further over the weekend as the Bundesbank president, Mr Karl-Otto Pöhl, described fears associated with monetary union as exaggerated.

The average bond yield fell another 5 basis points yesterday to 8.85 per cent. Equities saw the FAZ index up 5.52 to 809.43 at mid-session, and the DAX accelerated to post a 22.06 rise to 1,834.56 at the close. Volume was 1.35bn shares, against DM2.4bn on Friday.

Volkswagen topped the individual charts in turnover of DM1.05bn, its shares rising DM14.10 to DM616. Mr Werner Wank, head of securities at B. Metzler in Frankfurt, said that this reflected hopes of a 30 per cent profit rise and good news for 1990 at tomorrow's 1989 results news conference.

Chemicals and banks mostly lagged behind, the former worried about the strong D-Mark and falling prices, and the latter ignoring the rise in bond prices — which could explain why Allianz, the insurer, put on DM95 to DM2.645.

At the heavy end of the economy, Hoechst responded to good first quarter results with a DM10 rise to DM206, it had yet to react to the steel industry downturn, reflected, after hours, in a 13.9 per cent drop in West German raw steel production for April.

PARIS rose in very thin trading as many investors stayed away before today's Victory Day holiday. The CAC 40 index gained 17.19 to 2,119.83, within 10 points of its all-time high set on April 20, in turnover estimated at FF1.1bn to FF1.2bn after Friday's FF1.3bn.

One dealer said that, in spite of the thin trading, the market had been encouraged by the rises yesterday and on Friday, and analysts believed that the rally would continue in better volume after the extended holiday.

Thomson-CSF, which fell sharply on Friday after its profits warning, edged up 10 centimes to FF181.10 in the second biggest volume of the day, with 295,600 shares traded. The Saint-Gobain glass and ceramics maker, which has been busy making international acquisitions, rose FF16 to FF632.

Havas, the media group, ended at FF635, after a one-for-two share split and a one-for-three scrip issue. It stood at FF1,741 at Friday's close.

AMSTERDAM finished a little higher in light trading, restricted by the holiday in London. The CBS tendency index added 0.6 to 117.4.

Companies which had fallen last week, after poor interim results and warnings, recovered slightly. Philips added 70 cents to FF13.10 in busy trading after sinking to a year's low on Friday, while DAF, the truck maker, eased only FF1 to FF12.50 after going ex a FF1.50 dividend.

Unilever, which reports first-quarter figures on Friday, rose FF1.20 to FF142.90 and Elsevier, the publisher which said it is in takeover talks with US companies, added FF1.20 to FF142.90.

MILAN was enlivened by rises in Fiat in front of today's 1989 results. The savings shares rose 2 per cent and the ordinary paid on L55 to L10,420. The telecoms group,

Stet, rose another L68 to L5,969, up L48 in four days; it reported good results last Thursday. The Comit index rose 3.37 to 708.30.

However, the sentiment was not all bullish. Enimont fell L2 to L1,423, after it said it expected 1990 net profits to fall to about L450bn from the provisional L750bn in 1989.

STOCKHOLM saw Ericsson, the telecommunications stock, move higher on hopes of a big rise in first-quarter earnings, due today. Its first 8 shares rose SKr27 to SKr394 in turnover of SKr67m.

Other shares also gained ground, buoyed by lower domestic interest rates. The Saint-Gobain General index added 0.8 to 1,187.3 in turnover of SKr272m.

MADRID rose in fairly good volume, as the construction sector strengthened and banks mostly recovered from early weakness. The general index picked up L.32 to 974.9.

Constructions attracted buying from foreign, including US, and domestic sources. Dragados gained Ptas50 to Ptas3,020, Uratit added Ptas5 to Ptas3,510 and Vallehermoso rose Ptas45 to Ptas3,085 on its first day on the continuous market. Aslenda, reporting 1989 pre-tax profits up 44 per cent, gained Ptas30 to Ptas5,700.

BRUSSELS rose late in the day on speculation that Mr Mario de Benedetti, the Italian financial minister, had sold part of his 15.4 per cent stake in Société Générale de Belgique. The market had feared that Mr de Benedetti planned to sell his shares on the open market. Société Générale rose Bfr20 to Bfr12.50 with 26,900 shares traded. Earlier in the day, the cash market index eased 26.17 to 6,070.82.

VIENNA again attracted foreign buying interest, with the house index gaining 13.82 to 560.71 in active trading.

ASIA PACIFIC

Japan rises as investors return from break

Tokyo

BUOYANCY in overseas markets and a strong yen encouraged investors to go on a buying spree yesterday on their return from a series of holidays in Tokyo. The Nikkei average rose 2.8 per cent in its fourth consecutive gain, the first time it has risen for four sessions in a row this year, writes *Mitsuyo Nakamoto* in Tokyo.

Share prices rose over a wide front, taking the Nikkei up to 30,958.27 at the close, a gain of 782.63 points. The intraday high was 30,958.27 and the low 30,211.55. Advances led declines by 887 to 123 while 112 issues were unchanged.

Turnover was a moderate 600m shares, up from 480m on Wednesday, when the Tokyo market was last open. The Nikkei 225 index of domestic stocks gained 48.88 to 2,296.45.

Investors came back from the Golden Week holidays in better spirits, encouraged by gains on overseas markets and a sense that worldwide interest rates had stabilised. "The market has a definite spring in its step," commented Mr George Nimmo of SBC Securities.

There was a consensus that the auction for US Treasuries, beginning today, was unlikely to see a surge in interest this time, though some feared last week that strong demand for US government bonds could lead to further strength in the dollar. The yen has mostly been standing its ground against the dollar recently.

However, big heavy industrials, which are expected to produce healthy profits, were also pursued. Mitsui Engineering and Shipbuilding topped the volumes list with 23.6m shares and advanced ¥14 to ¥948. The big steel companies firmed, with NKK and Nippon Steel each rising ¥10, to ¥908 and ¥900 respectively, in active buying.

With the yen beginning to show some strength, interest in heavy industries and steel stocks, which are dependent on domestic demand, could lead to a recovery, some analysts predicted.

Issues supported by domestic demand were in favour in Osaka, where the OSX average gained 614.79 to 33,105.98. Turnover rose to 64.9m shares from 46.9m on Wednesday.

Roundup

THE HARD-WON recovery in Tokyo and New York brought renewed confidence to foreign investors in the Pacific Basin yesterday.

SINGAPORE hosted a strong comeback by foreign and institutional fund managers. Turnover nearly doubled to 161m shares from 83m as the Straits Times industrial index rose 34.80, or 2.3 per cent, to 1,514.48 for its biggest one-day gain this year.

Singapore Land, target of a \$315-a-share bid from UIC, was the most active stock in turnover of 4.5m shares, and rose 20 cents to \$315 following the

announcement of defensive moves, including the listing of an associate and the release of new seed valuations. However, UIC said that it had raised its equity stake in Singland to 39.9 per cent.

KUALA LUMPUR's advance was even more marked, turnover more than doubling from 5m to 76m shares as the composite index rose 18.90, or 3.8 per cent, to 530.81 after a 2.3 per cent increase on Friday.

SEATTLE heard a television speech from President Roh Tae-woo restate the government line that it would eradicate rampant real estate speculation to revive the economy and the stock market, and built on the recovery which began last Tuesday. However, the depth of yesterday's rally was slightly suspect.

The composite index rose 4.28 to 791.58 in heavy volume of 21m shares, with 363bn won. But, in spite of the gain

in the key index, losers outnumbered winners by 474 to 207, with 106 unchanged.

TAIWAN eased after a 818-point gain on Saturday, on top of Friday's 123-point technical rebound from its year's low. Yesterday was marked by disconsolate comment on capital investment prospects, with a list of 115 including political and social instability, a labour shortage, high prices and rising crime. The weighted index fell 63.23 to 8,880.16.

AUSTRALIA's rally took the All Ordinaries index up 18.2 to 1,478.0 as turnover climbed to 1.6bn shares, an ASX15m to 108m and ASX15m. The June share price index futures contract soared 34 points to 1,502.2, suggesting that share prices could rise further.

Industrials saw the best of the day's play. TNT, the transport group, added 4 cents to A\$2.51, although its nine-month profits fell 39.5 per cent.

WEDEN ANNUAL REPORT INDEX 1990

During recent years, Nordstjernan has developed into one of Europe's leading groups in the construction and real estate sector. This core business, conducted in NCC

Nordic Construction Company AB, is complemented by a number of operating companies and a portfolio of strategic shareholdings.

NCC was formed in January 1989, through the merger of ABV and JCC. With 20,000 employees and annual sales of more than SEK 18 billion, NCC is now Sweden's second largest construction company and ranked tenth in Europe.

Nordstjernan's business concept is to be an internationally oriented company in the construction, civil engineering and real estate areas.

As a first step towards the internationalization of the Nordstjernan Group, 2.5 million shares were placed with international investors on the London stock market in 1989. It is not improbable that a further broadening of the ownership base will occur abroad.

Nordstjernan's reported income for 1989 remained unchanged at SEK 1.2 billion. The hidden reserve in real estate increased SEK 1.3 billion. In addition, structural transactions yielded extraordinary revenues in an amount of SEK 0.7 billion.

According to independent real estate appraisals, the market value of NCC's managed properties at year-end 1989 was SEK 11.3 billion.

Ongoing and decided real estate projects correspond to a total investment amount of SEK 7.6 billion, of which capital expenditures outside Sweden account for SEK 4.1 billion

NORDSTJERNAN

"The concentration process will continue until Nordstjernan consists primarily of NCC's construction and real estate operations, as the core business, and a number of strategic shareholdings in Sweden's industrial and service sectors. Simultaneously, we shall continue to expand operations outside Sweden, with the objective of strengthening our position as one of the leading construction and real estate companies in Europe."

BERNT MAGNUSSON
PRESIDENT AND CHIEF EXECUTIVE OFFICER

To find out more about the performance, direction and prospects of some of Sweden's most successful corporations please circle below for your free copy of their 1989 Annual Reports:

Attach your business card or please print.

Name _____

Title _____

Company _____

Address _____

Country _____

Swedish Annual Report Promotion, Box 10020, S-100 55 Stockholm, Sweden.

This offer expires Oct 31, 1990

SWEDEN ANNUAL REPORT INDEX 1990

FT-ACTUARIES WORLD INDICES													
Jointly compiled by The Financial Times Limited, Goldman, Sachs & Co., and County NatWest/Wood Mackenzie in conjunction with the Institute of Actuaries and the Faculty of Actuaries													
NATIONAL AND REGIONAL MARKETS													
Figures in parentheses show number of stocks per grouping	MONDAY MAY 7 1989						FRIDAY MAY 4 1988			DOLLAR INDEX			
	US Dollar Index	Day's Change %	Pound Sterling Index	Local Currency Index	Day's change % local currency	Gross Div. Yield	US Dollar Index	Pound Sterling Index	Local Currency Index	1989 High	1989 Low	Year ago (approx)	
Australia (81)	191.23	+1.8	118.58	115.99	+1.4	8.01	129.14	118.33	113.85	158.91	125.95	197.99	
Austria (19)	288.25	+1.9	227.02	224.12	+1.9	1.18	25.17	224.95	220.02	265.88	183.18	123.31	
Belgium (61)	145.74	+0.4	132.14	129.36	+0.5	4.65	148.12	132.29	138.02	160.02	132.11	132.99	
Canada (120)	133.87	+1.4	118.02	112.69	+1.3	3.54	122.05	117.94	111.21	163.61	130.57	135.00	
Denmark (34)	249.22	+1.8	221.40	219.02	+0.8	1.58	245.31	219.09	211.78	260.82	238.69	180.47	
Finland (26)	137.29	+0.7	117.11	108.71	+0.0	6.32	131.76	117.68	108.22	152.29	129.89	191.88	
France (125)	188.75	+1.4	148.91	147.20	+0.5	2.78	168.40	148.62	146.54	189.75	151.11	118.04	
West Germany (83)	137.28	+1.8	121.86	118.08	+0.5	1.87	134.82	120.41	117.16	137.71	122.05	85.74	
Hong Kong (48)	122.82	+0.8	108.93	122.66	+0.8	5.07	121.93	108.90	121.88	128.90	112.94	136.61	
Ireland (17)	177.71	+1.3	157.87	154.28	+0.3	2.79	155.45	155.70	153.89	188.57	172.72	148.92	
Italy (66)	102.55	+1.4	91.46	93.36	+0.5	2.46	101.54	90.69	82.91	103.73	91.25	70.35	
Japan (454)	141.68	+2.5	125.85	141.54	+2.3	0.88	138.18	123.41	138.51	197.28	124.40	191.31	
Malaysia (35)	214.82	+3.6	190.84	224.04	+3.6	2.42	207.34	185.18	216.32	245.32	204.15	182.22	
Mexico (13)	142.83	+0.8	137.01	135.66	+0.6	6.42	142.83	135.66	131.22	164.82	134.53	182.12	
Netherlands (43)	138.43	+1.5	122.42	118.44	+0.6	4.76	137.32	122.84	117.73	145.88	130.43	118.08	
New Zealand (17)	62.00	+0.4	55.08	57.45	+0.4	7.63	61.72	55.13	57.21	73.36	59.87	72.17	
Norway (23)	227.39	+0.4	202.01	198.84	+0.3	1.56	228.46	202.26	199.48	245.90	202.34	187.88	
Singapore (25)	198.81	+3.5	169.51	164.57	+3.3	3.23	194.30	164.61	159.25	199.98	173.70	158.22	
South Africa (60)	181.58	+2.3	161.26	163.68	+2.3	3.67	173.55	163.52	158.02	251.59	173.86	130.64	
Spain (42)	157.78	+1.6	140.17	123.81	+0.8	4.28	155.25	138.86	123.08	188.19	132.8	133.00	
Sweden (35)	191.20	+1.6	169.88	171.03	+1.0	2.38	188.23	168.11	169.26	206.95	173.89	157.36	
Switzerland (65)	94.41	+1.2	83.87	83.64	+0.2	2.48	93.25	83.29	85.51	90.12	88.75	72.68	
United Kingdom (306)	137.04	+1.5	122.44	118.16	+0.7	5.10	128.74	122.74	164.31	138.67	136.65	148.61	
USA (537)	137.61	+0.6	122.54	137.61	+0.6	3.92	136.78	122.14	134.46	180.8	124.84	124.84	
Europe (985)	142.24	+1.1	126.38	123.64	+0.3	3.62	140.83	125.90	122.21	146.88	133.57	178.06	
Nordic (118)	191.41	+1.4	170.05	161.00	+0.6	1.95	188.24	158.86	160.02	201.88	162.02	186.02	
Pacific Basin (660)	140.53	+2.4	124.84	138.66	+2.3	0.91	137.18	122.12	138.57	192.75	124.63	196.57	
Euro-Pacific (1645)	141.59	+2.0	125.79	133.96	+1.5	2.01	138.94	124.09	131.73	174.18	130.38	180.77	
North America (857)	137.29	+0.7	121.98	135.96	+0.7	3.62	138.38	121.81	135.07	191.03	131.02	125.17	
World Ex. UK (1979)	126.40	+1.2	118.19	117.76	+0.7	6.16	126.77	117.26	115.53	147.79	124.78	147.79	
Pacific Ex. Japan (206)	126.40	+1.5	112.29	113.94	+1.2	2.26	124.57	111.26	113.54	139.32	123.53	123.53	
World Ex. US (2089)	141.88	+1.9	126.04	138.58	+1.5	2.00	139.24	124.36	131.63	173.77	131.90	158.67	
World Ex. UK (836)	138.64	+1.6	123.16	138.35	+1.3	2.31	136.63	121.93	135.61	182.00	130.50	145.28	
World Ex. Japan (2015)	138.64	+1.6	123.16	138.35	+1.3	2.31	136.63	121.93	135.61	182.00	130.50	145.28	
World Ex. Japan (1821)	139.45	+0.9	123.85	131.49	+0.8	3.62	198.21	122.44	130.73	145.52	134.62	123.43	
World Index (2375)	136.29	+1.5	123.74	134.77	+1.2	2.57	137.29	123.82	133.20	162.06	132.25	145.41	
Copyright, The Financial Times Limited, Goldman, Sachs & Co. and County NatWest Securities Limited. 1987													